The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami, Rome.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Algeria 6.00 Din. Iran 115 Rials Qatar 9.00 Rials
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No. 32,565 45/87 ** PARIS, FRIDAY, NOVEMBER 6, 1987 ESTABLISHED 1887

Carlucci's Pentagon Challenge

Budget, Gulf, Personnel Woes Beset Agency

By Molly Moore
Washington Post Service

WASHINGTON — The incoming U.S. defense secretary, Frank C. Carlucci, returns to a Pentagon that could be facing its most difficult period since Ronald Reagan took office nearly seven years ago.

The president officially announced Thursday, as expected, that Defense Secretary Caspar W. Weinberger was resigning and that Mr. Carlucci would be nominated to run the Pentagon. The Senate must confirm Mr. Carlucci.

Carlucci's deputy, General Colin L. Powell, is named national security adviser. Page 7.

Five years ago, Mr. Carlucci left the Pentagon as the No. 2 in command amid rapidly blooming budgets and the greatest military rearmament in U.S. peacetime history.

He returns to a Defense Department that must scale back a build-up the government can no longer afford. Even the greatest military success of the Reagan administration, the country's best-educated volunteer force ever, is threatened by a declining youth pool and increasing retirement by specialized officers such as pilots, submariners and nuclear experts.

Mr. Carlucci, who is leaving the post of national security adviser, also assumes control of the Gulf operation, which has become more controversial and costly by the week. Although in his role as chairman of the National Security Council he helped orchestrate the plan to provide U.S. military escorts for Kuwaiti tankers, the project has evolved into a military operation guided primarily by the defense secretary and the Joint Chiefs of Staff.

A potentially brighter spot for Mr. Carlucci is in the area of arms control. He has an opportunity in the final 14 months of the Reagan administration to give the Pentagon a different role in the debate. Mr. Weinberger often cautioned against arms-reduction proposals, but Mr. Carlucci has had a more moderate voice that could bring the Pentagon closer to the prevailing views of the Reagan administration and ease the friction between the State and Defense departments in recent years.

"Clearly there are severe limits on what anyone can do in the final year of any administration," said Representative Les Aspin, Democrat of Wisconsin and chairman of the Armed Services Committee of the House of Representatives.

"Mr. Carlucci can, however, have a major impact on the two core policy issues staring us in the

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Mike Sargent-Agence France-Presse

President Reagan announcing Thursday that Defense Secretary Caspar W. Weinberger, left, resigned and that Frank C. Carlucci will replace him. General Colin L. Powell, right, succeeds Mr. Carlucci as national security adviser.

Budget Stalemate: A Clash of Priorities

By Jonathan Fuerbringer
New York Times Service

WASHINGTON — The stock market collapse forced the impossible: a summit meeting between the White House and Congress on a deficit-reducing package.

But the turmoil has yet to force the unthinkable: a new spirit of compromise on the fiscal and social priorities that have split the Reagan administration and Congress since 1981.

The talks are floundering because the White House and congressional negotiators remain deeply divided over the same tax issues and military and domestic spending priorities they have fought over since 1981, and because pressure from constituents on the issue has been minimal.

"You're taking two boxers who've fought for 10 rounds and saying, 'Now, can you make up?'" said Representative Leon E. Panetta, Democrat of California, one of the negotiators. "Their basic political instincts are to keep throwing punches."

The lack of public reaction to the stock market plunge has contributed to the stalemate.

"As a barometer at home there has not been great turmoil among the people outside the stock market," said another negotiator, Senator Bob Packwood of Oregon, the ranking Republican on the Finance Committee.

"It has not created great aggravation and worry in the public," he added, "and to the extent that there is no urgency in the grass roots, maybe we're reflecting that."

In the end, some negotiators said, these differences will be overcome. But it is likely that an agreement will shift each side's priorities only slightly, making it difficult for the talks to achieve much beyond the $23 billion minimum savings goal set for the 1988 budget.

The principal impetus for compromise will come from the political investment the parties have made in weeks of high-profile talks, some of the negotiators said.

NEWS ANALYSIS

President Ronald Reagan, the Democratic leaders of both houses of Congress and all the negotiators will need to prove that they can provide effective leadership which, at this point, is being widely questioned at home and abroad.

Negotiators acknowledged, however, that a $23 billion savings package may not be as reassuring a signal to the financial markets as the negotiators would want.

"I think the negotiators do not perhaps realize the severity and shake out of what has been going on in the financial markets," said Allen Sinai, chief economist for Shearson Lehman Brothers in New York. "The negotiating seems to me to be a rather slow process."

The negotiators said some progress had been made on spending cuts but that no agreements on specifics had been reached.

Several Republicans in the House of Representatives began saying they might prefer a deadlock and accept, instead, the $23 billion in spending cuts that will be made automatically on Nov. 20 under the revised budget-balancing law if there is no agreement.

The fact that some House Republicans would risk the political damage of these spending cuts rather than accept modest tax increases shows how hardened the positions have become.

Although Mr. Reagan and the congressional leadership put all possible solutions on the table, except for cuts in the Social Security program, the two-dozen negotiators have spent most of their time during eight days of talks refighting the fiscal ghosts of years past.

Outside the talks, the president and congressional leaders have continued to blame each other for the budget and trade deficits and their inability to reach a compromise.

Mr. Reagan took another shot at the Democrats on Wednesday, blaming them for the record federal budget deficits during his administration. He made his remarks to respond to charges from Democratic leaders that his inflexibility was stalling the negotiations.

"Maybe they're looking for an excuse for having created all these deficits," Mr. Reagan said.

The three administration negoti-

See BUDGET, Page 7

Paris, Bonn Act On Rates

Dollar Plunges Amid Joint Move To Calm Markets

By Ferdinand Protzman
International Herald Tribune

FRANKFURT — West Germany and France announced a coordinated package of interest-rate adjustments on Thursday aimed at relieving strains within the European Monetary System and calming financial markets.

But the dollar ignored the joint action, plunging to new postwar lows against many major currencies.

Its decline accelerated as James A. Baker 3d, the U.S. Treasury secretary, was quoted as saying that the United States would seek to avoid a recession even at the risk of letting the dollar fall.

After reaching historic lows in Tokyo and Europe, the dollar skidded in New York to close at 1.6770 Deutsche marks, down from 1.7035 DM on Wednesday, and at 135.05 yen, down from 136.65.

The U.S. currency fell to 5.6760 French francs from 5.7980 and to 1.3800 Swiss francs from 1.4045. It also lost ground against the British pound, which closed at $1.7790, against $1.7545 on Wednesday.

The Bundesbank cut its emergency Lombard lending rate to 4.5 percent and moved to force money-market rates lower, while the Bank of France raised its key short-term money-market rates to 8.25 percent and 8.75 percent.

In line with those measures, the Swiss National Bank also lowered its discount and Lombard lending rates by one-half percentage point. U.S. banks later cut their prime rates by 0.25 percentage point to 8.75 percent to reflect recent declines in U.S. money-market rates. (Page 13.)

U.S. stock prices were buoyed by the prime-rate cut and posted a solid gain, with the Dow Jones industrial average climbing 40.12 points. (Page 12.)

The moves came a day after the Bank of England sanctioned a half-point cut in British base lending rates, to 9 percent.

After Germany and France announced their joint action on interest rates, the mark fell against the franc, taking some of the immediate strain off the EMS. Over the past 10 days, the mark has soared to record highs against the franc within the eight-nation currency bloc.

Economists said that the interest-rate changes put pressure on the United States to make significant reductions in its huge budget deficit. In addition, the changes give the U.S. Federal Reserve more room to maneuver in adjusting credit, analysts said.

"These moves free the U.S. Federal Reserve to ease credit conditions if it feels that is needed to avoid a recession," said Brendan

See DOLLAR, Page 17

Arab Nations Discuss New Alliance to Contain Iran

By Patrick E. Tyler
Washington Post Service

CAIRO — Some of the Arab nations along the Gulf are discussing with Egypt a new defensive alliance to contain Iran. The issue, in the view of diplomatic observers, could split the Arab world at a meeting Sunday of Arab heads of state in Amman, Jordan.

Middle Eastern and Western diplomats who have closely followed events leading up to the Arab summit conference say the alliance could lead to the deployment of large numbers of Egyptian military advisers and possibly combat pilots and troops to defend Arab nations.

Egyptian sources here emphasize that introduction of combat troops in the Gulf region would be unlikely even if an alliance was formed, but a commitment to send troops in a defensive role to vulnerable countries such as Kuwait has been under discussion as a deterrent to Iranian aggression.

Iran's Silkworm missile attacks on oil tankers and oil-loading facilities in Kuwaiti waters as well as Tehran's gunboat activity near joint Kuwaiti and Saudi Arabian offshore oil fields has sent the Arab states scrambling for a stronger Arab front to meet the military threat.

"The Gulf Arabs need a psychological counterweight in this war of nerves with Iran," an Egyptian government adviser said this week.

The Arab summit meeting, called after two unsuccessful attempts by Saudi Arabia to win support for an Arab break with Iran at foreign ministers' meetings in Tunis and Riyadh, is expected to produce a confrontation between the Arab Middle East's most bitter rivals, President Hafez al-Assad of Syria and President Saddam Hussein of Iraq.

Mr. Assad, the Arab world's last open supporter of Ayatollah Ruhollah Khomeini's war effort against Iraq, will be seeking to head off Arab sanctions against Iran, including an arms embargo under consideration in the United Nations Security Council. One Western official in Cairo predicted that Mr. Assad would be on the defensive over his support for Iran, while trying to hold on to Arab financial support that has kept Syria's economy afloat.

Mr. Hussein, meanwhile, having lost the momentum to Iran on the battlefield during the last two winter offensives, needs more than ever an Arab commitment to continue filling his war chest and to mobilize international pressure — particularly on the Soviet Union and China — to bring Iran to the peace table on terms that will not humiliate his leadership.

A number of Middle East analysts this week were predicting that the summit meeting would produce few visible results and at best might come up with a formula that would move the stalled UN peace initiative forward. The Arab League, the sponsor of the summit meeting, requires unanimity for its action.

King Fahd of Saudi Arabia announced Tuesday that he would

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British Army Grapples With Brutality Charges

By Howell Raines
New York Times Service

LONDON — After outbreaks of violence in two of its proudest regiments, the British Army is facing criticism that it has allowed a culture of brutality to develop within its enlisted ranks.

All 550 members of the 2d Battalion of the Coldstream Guards, the elite, bearskin-hatted regiment that stands watch at Buckingham Palace, were under house arrest during an inquiry into violence earlier this week.

On Thursday, the army's Special Investigation Branch made its third arrest of a guardsman for beatings inflicted on an 18-year-old comrade.

Also Thursday, the Ministry of Defense announced that four soldiers were found guilty in the latest of a series of courts-martial arising from beatings and sexual assaults carried out as part of an initiation ceremony by members of the King's Own Scottish Borderers, which is based in West Germany.

These incidents are part of a two-year pattern of beatings, hazings and suicides within the ranks. A British Army spokesman acknowledged that in the past 22 months, the Special Investigation Branch has received reports of 75 separate incidents of bullying, ill treatment or violent and degrading initiation ceremonies.

Of that number, allegations in 20 cases have been substantiated, 30 cases have been dismissed and investigations are proceeding in 25 others.

But the government is resisting demands that an independent inquiry be undertaken or that an ombudsman be appointed so that privates, who are the most frequent targets of violence, can report attacks without fear of reprisal.

"Bullying is not tolerated in the British Army," Roger Freeman, a junior minister at the Defense Ministry, told the House of Commons on Wednesday. He said the adjutant general, Sir David Mostyn, had called on all commanders for an inventory of complaints from their troops and to give him "proposals for future means of combating bullying."

An army spokesman said Sir David's inquiry is intended to increase the pressure on unit commanders to monitor the treatment of their troops and signals an aggressive campaign by the army to control violence and prevent cover-ups.

"While in the short term it does do damage to the army's image," said the spokesman, "it also shows the army is a caring employer once these cases are brought to the army's attention."

But Jack Ashley, a Labor Party member of Parliament who is campaigning for a report to Parliament on all known brutality cases, questions the army's ability to cope with violence.

"The lid has come off on bullying and brutality," he said, citing a flood of letters and calls to him from soldiers and their families. "It's more widespread than the ministry believes, but the full extent isn't known.

The most notorious case so far involves the Kings Own Scottish Borderers, based in Verden, West Germany. Its initiation rites included beatings and forcing naked

See BRUTAL, Page 7

John Parkin/The Associated Press

GUERRILLA LEADER FREED — Govan Mbeki, a leader of the African National Congress and a close colleague of Nelson Mandela, after his release Thursday in South Africa. Mr. Mbeki had been in prison for 23 years on charges of sabotage. Page 7.

Many European Singers Leave U.S. Operas Flat

By Michael Kimmelman
New York Times Service

NEW YORK — Luciano Pavarotti and Piero Cappuccilli did it in Chicago, José Carreras and Ghena Dimitrova in Pittsburgh, Renato Bruson in New York, Miss Dimitrova and Luis Lima in San Francisco.

Major opera stars have been canceling appearances with leading American companies this season at an increasing rate and are doing so even at the risk of "burning their bridges in this country," according to company directors and officials.

Moreover, many factors are now worsening the problem. Those factors include the declining rate of the dollar, combined with rising fees for opera singers in Europe — which are sometimes two or three times the payments that leading American opera houses can afford.

Also cutting singers' incomes are stiffened income tax regulations for foreign artists, which have been tightening over the last several years. So have the rates that many European banks charge to convert dollars into other currencies.

While cancellations have always been a part of the opera scene, and many of this season's absences — thus far principally among Italian singers — can be traced to legitimate health problems and schedule conflicts, opera administrators believe the outlook is dim for the near future.

The effects of cancellations can be particularly harsh for regional companies, which stake a good deal of their reputation on, and entice subscribers by, their ability to engage big names.

After Placido Domingo and Mirella Freni canceled appearances with the Houston Grand Opera two seasons ago, the subscription renewal rate there the following year dropped to 68 percent from 80 percent, according to the company's general director, R. David Gockley. He puts a significant part of the blame for those figures on the cancellations.

Martin Kagan, director of Opera America, points out that not only are there fewer incentives for singers to perform in the United States, but there also are more and more American companies wealthy enough to compete for their time. "It's a seller's market in terms of singers today," agreed William Gillespie, director of administration for the Pittsburgh Opera.

The latest financial drawbacks for singers performing in the United States only compound long-standing drawbacks. An artist in Europe can travel easily among the leading companies there, whereas in the United States the vast distances make getting around a problem.

And because the families of many performers reside in Europe, artists thus must sacrifice much more of their private time to work in North America.

Nowadays, the big-name singers are known through television, records and radio. Public appearances in the United States are no longer necessary to sustain their image.

Consequently, artists such as Mr. Bruson, who last week canceled all his appearances at the Met this season without offering a reason, apparently have become willing to "burn their bridges in this country," said Mr. Gockley. This means, he said, that they are willing to risk legal action that would deter them from performing again in the United States.

Yet companies rarely try to punish leading singers for canceling. They do not want to alienate the artists, whom they might want to engage again.

Kiosk

U.S. Sells Chad Stinger Missiles

WASHINGTON (NYT) — The United States is supplying Chad with Stinger missiles and has already begun training the Chadian Army to use them, U.S. officials said Thursday.

Under the $2 million deal, Chad is buying an estimated 24 Stinger missiles and seven launchers, making it the first African country to officially receive the sophisticated shoulder-fired weapon.

NYT

The South Pacific archipelago of Vanuatu is a charmingly schizophrenic place. Travel, Page 9.

Dow close: UP 40.12

The dollar in New York:

DM	£	Yen	FF
1.677	1.779	135.05	5.676

Soviets Show Signs of Distress Over Afghan War

By William J. Eaton
Los Angeles Times Service

MOSCOW — In a far corner of the suburban Peredelkino cemetery, a woman sobbed and wailed over a fresh grave marked with the photograph of a dark-haired young soldier killed in Afghanistan.

For those who watched from afar, her grief was a vivid reminder of the pain and sorrow felt by thousands of Soviet soldiers and their relatives who have borne the human cost of a guerrilla war that has gone on for nearly eight years.

Victory seems as elusive as ever in the conflict, which has produced little but frustration for Soviet leaders. The fighting has never become a major public issue here. But recent newspaper reports and an unpublished public opinion survey indicate that some citizens are deeply disturbed by the war dead and do not understand why 115,000 Soviet troops remain in Afghanistan.

"Our poor boys are dying for nothing in Afghanistan," complained a middle-aged Russian woman recently.

Mikhail S. Gorbachev, the Soviet leader, has called the war against anti-Communist resistance fighters a "bleeding wound" and has said he wants to withdraw Red Army forces if a political settlement can be negotiated. That is a switch from past talk about seeking a military victory.

Western diplomats said that Mr. Gorbachev apparently saw benefits in a troop withdrawal, especially because the Afghan resistance fighters, or mujahidin, have been shooting down more and more Soviet aircraft in recent months with U.S.-built Stinger missiles.

Recent Soviet-U.S. talks have focused on whether an interim government in Afghanistan could be established to monitor a pullout of Soviet troops and on an end to Western military aid to the resistance.

The Soviet press increasingly has reported the savagery of the fighting and its brutalizing effects on young men, as well as the skill and weaponry of the mujahidin and the callous indifference Soviet officials and the public often show toward the war's veterans.

For the first time, Soviet readers were told in October of a deep split in the Afghan Communist Party that "reaches down to family level." An article in the weekly Literaturnaya Gazeta also described the enemy, normally denigrated as bandits, as a "superbly equipped, well-paid, well-trained and mobile army, capable of staging bold operations and incursions."

In another departure from past reports in the Soviet media, the article raised the question of fairness in the assignment of soldiers to fight in Afghanistan.

The author, Kim Selikhov, said he found that it was primarily the sons of workers and peasants who were assigned to Afghan duty.

"Only rarely did I come across children and grandchildren of writers, cultural figures, high and leading officials," he added. "I think this deserves special attention."

At the same time, the Soviet press has never disclosed the circumstances under which Soviet troops intervened in 1979. The official position remains that the Afghan government invited the Red Army, despite the fact that the Afghan leader at the time was killed in the process.

Nor has the Soviet public been told how the decision to intervene was reached, and a clear picture of the war's devastating effects on the social fabric of Afghanistan has not been provided.

Despite Mr. Gorbachev's policy of *glasnost*, or openness, official figures have not been released on the number of Soviet troops in Afghanistan or the number of war

See AFGHAN, Page 7

$180 Million Ends a Front-Page Feud in Austria

By Henry Tanner
International Herald Tribune

VIENNA — Austria's most celebrated personal and business feud came to a head Thursday when Hans Dichand, the editor and publisher of the country's most successful tabloid, Neue Kronen-Zeitung, announced that he had raised 2.2 billion schillings ($180 million) to buy out the paper's co-owner.

Mr. Dichand's new partner is Westdeutsche Allgemeine Zeitung in Essen, West Germany, which publishes more than 20 regional newspapers in that country.

Under an out-of-court agreement with Kurt Falk, the co-founder and longtime business manager of Kronen-Zeitung, Mr. Dichand had until the end of this month to raise the money. If he had failed, it would have been Mr. Falk's turn.

Mr. Falk is now the publisher of a mass-circulation weekly called Die ganze Woche, a combination illustrated news magazine and television guide.

Kronen-Zeitung last year had a circulation of 958,135 on weekdays and 1.29 million on Sundays. That is more than twice the circulation of its nearest rival, Kurier, another tabloid, and about 15 times that of what is generally considered Vienna's most serious newspaper, Die Presse.

The circulation of Ganze Woche is 803,400, compared with 93,800 for profil, a news weekly.

The Associated Press

Hans Dichand, left, and Kurt Falk with the Austrian tabloid they have owned jointly.

Kronen-Zeitung is unashamedly "populist," Mr. Dichand says.

It thrives on a relentless array of scantily dressed young ladies on Page 3, pictures of cute children, if possible in distress, on Page 5, and noble animals on Page 7, with more girls, horoscopes and a wide selection of crime, violence and natural or other disasters on subsequent pages.

News articles are short, to the point and well-written. A stable of columnists deliver short, racy, opinionated features catering to, and often inspiring, the most chauvinistic and insular side of what the editors perceive to be the country's prevailing mood. The ingredients of Ganze Woche are the same, in color.

The feud between Mr. Dichand and Mr. Falk goes back nearly 20 years.

Mr. Dichand had stepped down as editor of Kurier and was trying to buy the name Kronen-Zeitung, which belonged to a long-defunct paper. He found financial backers but they insisted on pairing him with Mr. Falk, a 25-year-old businessman who had made his mark as manager of a laundry soap company.

The two men disliked each other from the start. Even today, receiving a visitor, they seem to belong to different worlds.

Mr. Dichand is a mellow, veteran editor who delights in journalists' talk and is diplomatic, with no hard edges. Mr. Falk is direct-spoken and feisty as he details the history of the feud in a blow-by-blow account of figures and meetings in lawyers' offices.

Their paper did exceptionally well. But in their daily morning meetings they clashed over personal style and managerial control.

In 1974, Mr. Falk resigned as manager but kept his part-ownership. When, years later, Mr. Falk started to publish his weekly, Mr. Dichand sued him for violating their partnership agreement. Mr. Falk countersued. The matter dragged on and last spring they reached the settlement that now approaches its first deadline.

The feud, says a fellow journalist, is between the editor of a "superbly made bad newspaper" and the publisher of an "even-better-made worse weekly."

The question of who owns and controls Kronen-Zeitung, or the "Krone," is important in Austria. Even its critics say the paper is by far the most powerful single influence on Austrian public opinion, more powerful than any politician and all other papers put together.

One unresolved question is what Mr. Falk will do with his $180 million. He is known to want to have his own daily and many Austrian journalists believe he will start one.

And both he and Mr. Dichand harbor ambitions to get into radio and television.

"I know what I want to do, but I'm not saying," Mr. Falk said. Of his feud with Mr. Dichand, he said: 'I'm glad it's over."

Hernu Denies Authorizing Arms Sales To Tehran

By Barry James
International Herald Tribune

PARIS — Charles Hernu, the former French defense minister, denied Thursday that he had authorized sales of artillery shells to Iran while in office, and a leader of his Socialist Party categorically rejected an allegation that the party had received kickbacks on the sales.

The denials came a day after André Giraud, the defense minister in the present conservative government, which took office in March 1986, announced that he had declassified and turned over to an investigating judge a military report saying that the previous Socialist government had allowed Luchaire S.A., an arms manufacturer, to sell $120 million worth of shells to Iran from 1983 to 1986.

The French government imposed an embargo on sales to Iran in 1980 that remains in force.

The report by Jean-François Barba, inspector-general of the armed forces, "did not exclude" the possibility that up to $500,000 in commission may have been paid to the Socialist Party.

"I exclude totally that any sum whatsoever was received by the Socialist Party from this arms traffic," said Lionel Jospin, first secretary of the Socialist Party, in a radio interview. And Mr. Hernu said, "I never gave an order or an instruction to export arms to Iran."

Mr. Jospin said President François Mitterrand's previous Socialist administration was resolutely opposed to selling arms to Iran.

"During the five years of the government," he said, "I had the occasion to meet regularly with the president of the republic, with Prime Minister Pierre Mauroy and with Prime Minister Laurent Fabius.

"At no time was this brought up," said Mr. Jospin, referring to the Luchaire affair.

"At the level of my contacts with the president and his two prime ministers," Mr. Jospin said, "the absolute refusal of any arms sales to Iran was not only the official policy but was also what was said in private conversations. I never heard talk about the Luchaire affair."

François Heisbourg, recently appointed director of the International Institute for Strategic Studies in London and a former aide to Mr. Hernu, said that "we had an inkling" that Luchaire was illegally trying to evade the arms embargo by sending shipments falsely addressed to Ecuador at the end of 1983.

Mr. Heisbourg was one of Mr. Hernu's assistants mentioned by Daniel Dewavrin, the chairman of Luchaire, as being aware of the sales to Iran. Mr. Heisbourg, who left the ministry March 5, 1984, said he was aware of two early intelligence reports about Luchaire that are included in the Barba report.

The first was from the ministry's intelligence service informing the minister in January 1984 about a suspicious exportation by Luchaire of 20,000 155mm artillery shells to Ecuador, a country that did not then possess 155mm cannons. The second was from Egyptian intelligence sources about the discovery of 40,000 shells manufactured by Luchaire aboard a Cypriot cargo ship bound for Iran.

But Mr. Heisbourg said it was precisely because of the Defense Ministry's suspicions about Luchaire that a request from the company for a license to export shells to Ecuador in December 1983 was held up by a ministry committee.

Mr. Heisbourg said hundreds of requests for export licenses are received every month by the Defense Ministry, and it was inevitable, he said, that among these would be occasional attempts by companies seeking to evade the embargo.

"Sales to Iran are very lucrative," he said. "They pay heavy premiums."

According to the Barba report, Luchaire sent arms to Iran falsely addressed to several other countries besides Ecuador, including Brazil, Portugal, Thailand and Yugoslavia. Given the Defense Ministry's suspicions about Luchaire and the referral of the license request to the prime minister's office, Mr. Heisbourg said he did not know how these shipments had been authorized after his departure from the ministry and therefore could not comment on this aspect.

Socialist Party sources, meanwhile, said there was evidence that the sales by Luchaire to Iran did not stop after the conservatives took office last year. The sources said the exports were switched from the French port of Cherbourg to Zeebrugge, Belgium. A parliamentary committee in Brussels has accumulated evidence about the use of Belgium as a staging point for arms shipments to Iran, but was forced to halt its work when the government fell last month.

The Socialists have accused the government of Prime Minister Jacques Chirac of using the Luchaire affair to smear Mr. Mitterrand, whom Mr. Chirac is expected to challenge in elections in April.

Mr. Chirac appeared on Thursday to be trying to play down the affair. "It is inevitable in a democracy that things get inflated by the media," he said in an interview in the Brittany port of Brest. "This must be controlled because it does not create a very good image and exaggerations in the presentation often cast a slur all round."

WORLD BRIEFS

Spain Rejects U.S. Proposal on Base

MADRID (AP) — A U.S. offer to reduce by two-thirds an air-force fighter wing stationed outside Madrid is not enough to save a joint defense accord that Spain intends to let lapse, a Foreign Ministry official said Thursday.

Juan Lena, undersecretary for North American affairs, said Spain would inform the United States that it rejects renewal of the treaty in its current form.

A seventh and critical round of talks on the accord, which provides for U.S. military installations on Spanish soil, opened Thursday. Mr. Lena said Spain would give the requisite six months cancellation notice at the session. Madrid has been demanding complete withdrawal of the U.S. Air Force's 401st Tactical Fighter Wing of 72 F-16 fighter jets from Torrejón Air Base outside Madrid.

Cuba Says It Will Free 216 Prisoners

MIAMI (AP) — President Fidel Castro of Cuba has agreed to send to the United States 16 Americans jailed on criminal charges and 200 Cuban political prisoners, a U.S. church leader has announced. The State Department said it was aware of the decision but did not know when the group would be released.

The Reverend Tom Willy of World Relief Services said Wednesday that Mr. Castro made the pledge to him and others who went to Cuba in early September under the sponsorship of the National Association of Evangelicals.

The names of the Americans were not disclosed. Several of them are being held on drug trafficking charges and will be turned over the Federal Bureau of Investigation, said Mr. Willy, who was a missionary in Cuba before the Communist revolution.

M'Bow Backers Are Said to Give Up

PARIS (UPI) — African supporters of Amadou Mahtar M'Bow have given up the fight to block the election of Federico Mayor Zaragoza of Spain to succeed Mr. M'Bow as director-general of UNESCO, according to delegates at the agency's general conference here.

"There will be no problem from the Africans," one delegate said Wednesday. "That's all in the past." The African representatives had been expected to try to block Mr. Mayor at the conference, which is to culminate Saturday in a vote for the director-general. Mr. M'Bow's bid for a third term failed Oct. 18 when the executive board recommended Mr. Mayor to lead the agency.

Mr. M'Bow, of Senegal, who leaves the United Nations Educational, Scientific and Cultural Organization on Nov. 14, gave his final address to representatives of the agency's 158 member nations Wednesday, avoiding criticism of the Western nations that led the move to oust him and describing the end of his term as "a page turned."

Resumed 9th Chess Game Is Drawn

SEVILLE, Spain (Reuters) — Garri Kasparov, the world chess champion, brushed aside the attempts of Anatoli Karpov, the challenger, and held a draw Thursday in the ninth game of their title match.

Mr. Karpov proposed the draw after 70 moves and nearly two hours of play in the second session of the game, which was adjourned Wednesday after Mr. Kasparov sealed his 43d move. The score is now tied at four and a half points each. The next game is scheduled for Friday.

GAME 9
GRUNFELD DEFENSE

White Karpov	Black Kasparov	White Karpov	Black Kasparov	White Karpov	Black Kasparov
1. d4	Nf6	25. Qe3+	Kh6	49. Rg2	Qd4
2. c4	g6	26. Nd5	Qe5	50. Qa8	Qxe5
3. Nc3	d5	27. Qd3	Kg7	51. Qf8+	Kg6
4. cd	Nxd5	28. Nf6	Qd6	52. Qxb4	b5
5. e4	Nxc3	29. Qe3	Qe5	53. h4	gxh4
6. bxc3	Bg7	30. Qd3	Qd6	54. Qxh4	Rd6
7. Be4	c5	31. Qc3	Qe5	55. Qe4	Rd4
8. Ne2	Nc6	32. Qb3	Rc7	56. Qe6+	Kg7
9. Be3	0-0	33. Qd3	Rf7	57. Qb7+	Kh6
10. 0-0	Be4	34. Qxe4	Rxf6	58. Qe6+	Kg7
11. f3	Na5	35. Rd1	b5	59. Rc2	Rh4+
12. Bxf7+	Rxf7	36. Rd7+	Kh6	60. Kg2	Qe4+
13. fxg4	Rxf1+	37. Qe2	Qc5+	61. Qxe4	Rxe4
14. Kxf1	cd	38. Kh2	Qe5+	62. Rc7+	Kg6
15. cd	Qb6	39. g3	Qe3	63. Rx7	Re3
16. Kg1	Qe6	40. Kg2	Qe4	64. Kh3	Rc3
17. Qd3	Qxg4	41. Qe3+	g3	65. Ra8	Rc4
18. Rf1	Rc8	42. Rd2	Qf1+	66.a4	Kg5
19. h3	Qd7	43. Kh2	Qf3	67. a5	Ra4
20. d5	Ne4	44. Qd4	Ra6	68. a6	Kh6
21. Bd4	e5	45. e5	Qf5	69. Kg2	Ra3
22. dxe6	Qxe6	46. Re2	a5	70. Kf2	Kg7
23. Bxg7	Kxg7	47. Qd5	b4	Drawn.	
24. Nf4	Qd6	48. Qxa5	Qd3		

U.S. Lawmaker Is Sentenced to Prison

NEW YORK (AP) — Representative Mario Biaggi, Democrat of New York, was sentenced Thursday to two and a half years in prison and fined $500,000 for illegally accepting free vacations from a political ally.

Judge Jack B. Weinstein of U.S. District Court, however, stayed the sentence pending appeal. He said the congressman's crimes were "bred in greed and arrogance," but he took into consideration Mr. Biaggi's years in public service and the 70-year-old lawmaker's health problems.

Aquino In-Law Faces Investigation

MANILA (Reuters) — President Corazon C. Aquino said Thursday that she had ordered a full-scale corruption investigation of her sister-in-law.

She told Antonio Carpio, director of the National Bureau of Investigation, to carry out a "thorough investigation" of charges that Margarita Cojuangco had accepted a $1 million "deposit" from an Australian company seeking gambling rights in the Philippines. Mrs. Cojuangco is the wife of Mrs. Aquino's younger brother, Jose Cojuangco, a powerful congressman.

The Sydney Morning Herald has quoted Ray Lord, an Australian businessman, as saying he paid $1 million in cash as a refundable deposit for gambling rights, but Mrs. Cojuangco has denied accepting any money from the Australian firm.

TRAVEL UPDATE

Italian Airlines Cancel 106 Flights

ROME (UPI) — Italian airlines said Thursday that 106 scheduled flights would be canceled from Saturday through Tuesday because of a labor dispute with ground personnel. Airline and airport workers have staged intermittent strikes in recent days, pressing wage and other demands.

Alitalia and its subsidiary for domestic flights, ATI, said that the flights would be canceled on a number of domestic and international routes. The temporary reductions in international service affect flights between Milan and other European points.

DOONESBURY

EC Divided Over New Regulations For Radioactivity Levels in Food

By Joseph Fitchett
International Herald Tribune

MUNICH — The European Community, divided over norms about radioactivity in food 18 months after the Chernobyl nuclear accident, faces unilateral action by three member countries that could erect costly trade barriers.

Negotiators in Brussels scheduled a meeting on Sunday to seek a last-ditch compromise among ministers of the 12 EC nations.

West Germany is insisting on stricter standards, while Britain and France want to accept levels recommended by the community on the basis of scientists' recommendations.

West Germany has announced that it will, if necessary, impose stringent regulations of its own, invoking EC provisions about imminent national risk. The Netherlands and Luxembourg say they would follow.

Asked about the outlook for an accord, Anthony Brenton, an EC official, said: "The chances of success are 55 percent and rising."

The community's division highlights the varying susceptibilities of European countries on the question of nuclear risks and the room that officials have to maneuver on the issue.

French officials, for example, are able to largely ignore the issue because public opinion and the news media seem indifferent.

But, said French and British officials, West Germany is operating in what one called a "psycho-politico imbroglio amplified by the media." Several West German officials concurred.

"Nuclear angst in our public opinion is irrational," said an official in Bavaria's environmental department, "but West German politicians cannot resist it, so our policies on radiation ignore what the experts say."

All the officials interviewed asked not to be identified.

In Bonn, an official in the federal ministry of environment said: "The minister could lose his job if the government publishes radioactivity norms that just look loose, no matter how stringent they are in reality.

"The discussion is not rational at all, I admit," he continued, "but the German press covered Chernobyl and its fallout last year the way papers recently covered the stock market crash. So now we have private stations on food markets in Bremen and Frankfurt where people can measure the produce they buy.

"In Kiel, courts have just awarded damages to a woman for baby food she bought with only a seventh of the radioactivity accepted by the current EC standard."

The EC Commission is seeking to promulgate regulations to replace temporary limits that expired last week.

The rules were hastily put in place after the Soviet accident in April 1986 by what is known as ordinance 1707. The new guidelines would apply while Chernobyl fallout continues and then deal with future nuclear accidents.

Until ordinance 1707 expired last week, the EC barred food imports registering more than 600 becquerels of radioactivity or 370 becquerels in baby food or milk, which easily absorbs cesium, a radioactive isotope.

Most EC countries support the commission's recommendation of new limits of 1,000 and 1,250 becquerels, a level four times lower than the 4,000 and 5,000 becquerels recommended by an EC committee of scientific experts.

But West Germany wants the new standard to be tightened to 500 becquerels.

"Nobody could accept that we raise the ceilings 18 months after the accident," the environmental official said in Bonn.

The discrepancy in figures stems partly from a methodological argument. France, an official said, "thinks risk should be measured as the total exposure of average people from the basket of what they eat over at least a year."

But a West German official said the threat "should be measured on a worst-case basis, including single items that breach the norm."

West German officials see signs of cynicism in French policy.

"France is a big agricultural country and a nuclear power, so French officials are never willing to acknowledge risks of radioactivity," said the environmental official in Bonn.

Mohammed Assaiy/The Associated Press

BEIRUT SHUT DOWN — A policeman guarding shuttered Beirut shops Thursday after the city was brought to a virtual standstill in the first day of a nationwide strike. Unions vowed it would continue until the government acted on Lebanon's economic crisis.

Natal Violence Escalates Despite Truce Overtures

By William Claiborne
Washington Post Service

JOHANNESBURG — Despite preparations for peace talks between rival factions, internecine violence in black townships around the Natal Province city of Pietermaritzburg continued to escalate Thursday.

The police reported three more slayings after a 16-year-old black youth and two black men were stabbed to death.

The Pietermaritzburg Council of Churches estimated that about 150 people have been killed in the area this year, including about 80 in the last two months.

The violence stems from a long-time feud between militant young blacks affiliated with the United Democratic Front, an anti-apartheid coalition, and conservative Zulu members of the locally powerful Inkatha movement headed by Chief Mangosuthu Buthelezi.

The recent bloodshed is the worst in two years of factional fighting in Natal Province.

Although both groups oppose apartheid, South Africa's policy of racial separation, they differ widely in political philosophy and tactics.

Inkatha opposes economic sanctions against South Africa and advocates negotiations with white leaders in Pretoria. The United Democratic Front, which is allied with the outlawed African National Congress, has adopted a more militant strategy for unseating the white minority government.

The factional violence has continued despite appeals for a truce by political and religious leaders, including a visit to Pietermaritzburg this week by Archbishop Desmond M. Tutu, the Anglican church leader in South Africa.

The fighting has wide implications not only for political control of black areas of Natal, but for the future of power sharing in South Africa.

The fighting gives the appearance of reinforcing assertions by many white conservatives that tribal and political rivalries among blacks would make a one-man, one-vote system untenable and would lead to a breakup of the country.

Leaders of the United Democratic Front and the Congress of South African Trade Unions, the largest labor federation in South Africa, asserted Wednesday that Inkatha "warlords" with private armies were largely responsible for the violence, and that officials of Chief Buthelezi's movement were behind the trouble.

Inkatha responded that its members were only trying to protect themselves, and that it regarded vengeance killings as acceptable as long as the militant gangs continued their attacks.

Oscar Dhlomo, the Inkatha general secretary, said that instead of making accusations about responsibility, the United Democratic Front should "meet with us and discuss the problems together to solve them."

Peace talks between the factions have been promised by the Pietermaritzburg Chamber of Commerce, which sponsored a series of meetings between township groups to negotiate the appointment of a mediation committee.

However, a much-heralded "truce" signed by the United Democratic Front and Inkatha on Oct. 13 collapsed almost immediately amid the continuing violence.

U.S. to Sell Arms to Austria

The Associated Press

WASHINGTON — The Pentagon notified Congress on Wednesday that it had approved the sale to Austria of 18 M-109 self-propelled howitzers, along with associated machine guns, support equipment and spare parts, for $18 million.

Pierre Seghers, French Poet and Publisher, Dies

The Associated Press

PARIS — Pierre Seghers, 81, a leading French publisher, died Wednesday at a hospital outside Paris, friends of the family said.

A poet himself, he was best known as an exponent of poetry. The publishing house bearing his name printed millions of paperback copies of the works of many 20th-century poets.

His own works include "Livre d'Or de la poesie française," France's most important reference book on poetry, "Racines" (1956), "Pierres" (1958), and most recently "Victor Hugo Visionnaire" (1983).

Born Jan. 5, 1906, in Paris, he studied literature at the University of Paris. During World War II, he founded a group of poets active in the resistance and who published clandestinely.

In "La Resistance et les Poetes" (1974), he wrote of those days, spent with his close friends, the poets Paul Eluard and Louis Aragon.

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INF Accord Is Backed By NATO Ministers

By R. Jeffrey Smith
Washington Post Service

MONTEREY, California — Defense ministers of the North Atlantic Treaty Organization have given the Reagan administration the strong support it sought to fend off conservative criticism of the impending U.S.-Soviet agreement to eliminate medium- and shorter-range nuclear missiles.

Washington wanted the NATO endorsement of the agreement to rebut recent assertions by former Secretary of State Alexander M. Haig Jr., a Republican presidential contender, that the treaty is opposed by West European leaders.

The ministers, wrapping up three days of private consultations on NATO's nuclear arsenal, said in a communiqué Wednesday that "we welcome and fully support the agreement in principle" eliminating intermediate-range nuclear forces, or INF. These have a range of between 300 and 3,500 miles (about 500 to 5,000 kilometers).

Defense Secretary Caspar W. Weinberger and other U.S. officials told the ministers they needed a strong NATO endorsement to insure that the treaty would be ratified by the Senate after being signed in Washington on Dec. 7 by Ronald Reagan and Mikhail S. Gorbachev, as agreed to last week.

Lord Carrington, NATO's secretary general, said in an interview that Mr. Haig was "not correct" when he said last week that Chancellor Helmut Kohl of West Germany, Prime Minister Margaret Thatcher of Britain, and other European leaders oppose the treaty.

A West German official said, however, that some European defense officials were privately critical of the "double-zero" agreement. But he said they have now decided that the treaty's political benefits outweigh their concerns about its impact on NATO's military posture.

Lord Carrington acknowledged "German hesitations" and British "worries," but said these stemmed from uncertainty about possible follow-up talks covering short-range, or battlefield, nuclear forces not covered by the INF agreement.

Some German officials favor negotiated reductions in short-range weapons because, in the event of war, such weapons would probably be detonated on German soil. But the United States and Britain oppose such negotiations, fearing they would lead to the "denuclearization" of Western Europe.

A German official said that Defense Minister Manfred Wörner was privately skeptical of the follow-up negotiations but that he was asked by Bonn to seek inclusion in the minister's communiqué of a NATO declaration at Reykjavik in June that the Germans interpreted as supporting such negotiations.

In a decision described by several officials as a pointed rebuke of the German interpretation, the ministers omitted the declaration from their communiqué, leaving the issue of possible reductions in short-range forces to be resolved at future NATO meetings.

Manuel Martinez/The Associated Press

DRUMMING UP SUPPORT — Labor activists marching in Buenos Aires during a general strike protesting President Raúl Alfonsín's economic policies. Industry and transport came to a near standstill and thousands rallied in the capital during the daylong strike Wednesday, called by the Peronist General Labor Confederation.

Election Panel Officials In Haiti Flee Following Series of Arson Attacks

By Joseph B. Treaster
New York Times Service

PORT-AU-PRINCE, Haiti — Several members of the Haitian electoral commission have gone into hiding after a series of arson attacks against election officials.

Emmanuel Amboise, a 75-year-old election official whose home was a target, bitterly accused the army-dominated provisional government on Wednesday of complicity in the violence.

Addressing Haitians and the "international community" on radio stations in the capital, Mr. Amboise asserted that "assassins and arsonists" were running Haiti. He made a desperate appeal for protection.

Several election officials expressed serious doubts Wednesday that the presidential elections could be held as scheduled on Nov. 29.

[The company contracted to print ballots for the election was damaged by fire early Thursday, The Associated Press reported, quoting radio stations in Port-au-Prince. At least one printing machine was damaged, but it was not immediately known whether ballots were burned.]

"We are in the midst of total insecurity," said Alain Rocourt, the head of the Methodist Church in Haiti and treasurer of the nine-member Electoral Council.

Two days after arsonists damaged local election headquarters and gunmen sprayed machine-gun fire at a district voting office and the office and home of two candidates, the government still had not assigned security forces to protect election officials and offices.

The national election headquarters were set on fire Monday, hours after the Electoral Council had rejected the candidacies of a dozen associates of the former dictators of Haiti, François Duvalier, who died in 1971, and his son, Jean-Claude, who fled to France 21 months ago. The new Haitian constitution bars top officials of the family dictatorship from elections for 10 years.

In another attack Monday, arsonists also destroyed a hardware store owned by Mr. Amboise. On Tuesday night, they unsuccessfully tried to set fire to Mr. Amboise's house and car.

After ignoring two earlier written requests for protection from the council, the government said in a statement Wednesday night that it had instructed the "appropriate authorities" to "determine the necessary security measures" to be taken "to guarantee the progression of the electoral process."

By midday, Mr. Rocourt said the government had done "nothing at all" to provide security for any council members or the council's offices. Mr. Rocourt said a government official suggested that the council hire a private guard to protect the equipment and files in the headquarters.

U.S. Report Provoked Gorbachev's Wrath

By David K. Shipler
New York Times Service

WASHINGTON — When the State Department's Bureau of Intelligence and Research issued a slick, intricately documented study last August on Soviet disinformation techniques, hardly anybody in Washington took notice. It bore the title, "Soviet Influence Activities: A Report on Active Measures and Propaganda, 1986-87."

The press generally ignored it. Even Secretary of State George P. Shultz did not bother to read it. The 89-page volume, complete with footnotes and appendices, seemed headed for oblivion.

But the study found its way into the Kremlin, where it angered the Soviet leader, Mikhail S. Gorbachev. He had a copy, marked up and underlined, when he met with Mr. Shultz last month, and Mr. Gorbachev's complaints about it triggered what Mr. Shultz later called "a rather acrimonious discussion."

That exchange also seems to have provoked an unusual retraction in the Soviet press. And the report has suddenly become interesting in Washington, where the State Department press office has been handing out copies to reporters who could not have been bothered in August.

The report has a Cold War tone at times. It defines "active measures," a translation of the Russian term, as "covert or deceptive operations conducted in support of Soviet foreign policy."

It describes the activities of such "front organizations" as the World Peace Council and the World Federation of Trade Unions, and says that the World Council of Churches, a Geneva-based organization of more than 300 churches, "sometimes sponsors organizations or activities that have some form of affiliation with Soviet front organizations."

It reports on the planting of false news stories in the foreign press and the manufacture of forged documents that seem to describe outrageous U.S. policy, including a false statement by Defense Secretary Caspar W. Weinberger, a bogus memorandum of the National Security Council and a fabricated State Department cable.

But among these nefarious activities the report lumps endeavors that seem to be little more than diplomacy or trade.

The report declares ominously, for example, that before a 1986 meeting of the Non-Aligned Movement in Harare, Zimbabwe, "Moscow made numerous demarches to key NAM member countries," urging "support for Soviet disarmament proposals and insuring that NAM communiqué language on Afghanistan did not mention the Soviets by name."

In Latin America, the report finds that "trade has been a key factor in extending Soviet influence." It cites increased grain purchases from Argentina in the face of the partial grain embargo imposed by the United States, rising imports from Brazil, and a Soviet decision to build two textile factories in Mexico.

Nevertheless, the study describes cases of duplicitous Soviet behavior, most prominently the Soviet allegation that the AIDS virus was first manufactured by the Pentagon in a biological warfare laboratory at Fort Detrick, Maryland.

The charge was retracted last week in the Soviet government newspaper Izvestia in an article by two Soviet scientists, who criticized the Soviet press for spreading the false story about acquired immune deficiency syndrome.

The cover of the State Department report reprints a cartoon from Pravda, the Communist Party newspaper, showing an American general paying dollars to a scientist for a test tube full of microbes in the shape of swastikas. They are labeled "AIDS Virus."

The State Department study contends that the AIDS story, in the form of an anonymous letter to the editor, "first appeared in mid-1983 in a publication established by the Soviets in India for propaganda purposes," The Patriot of New Delhi.

In the United States, the report asserts, Moscow has influenced the American peace movement, "has attempted to mobilize labor organizations and trade unions" and "is very interested in influencing U.S. churches and religious organizations and their leaders."

One of the fabricated documents, designed as a National Security Council memorandum, is about integrating the resources of three neutral countries, Switzerland, Austria and Sweden, into NATO. Another is a forged United States Information Agency letter suggesting that European news organizations spread exaggerated casualty figures in connection with the explosion at the Chernobyl nuclear power plant. The false statement by Mr. Weinberger portrays the proposed space-based defense system as an offensive weapons system.

U.S. Finds Fraud in Aliens' Requests

By Robert Pear
New York Times Service

WASHINGTON — U.S. immigration officials say they have detected fraud in thousands of the applications for legal status filed by illegal aliens purporting to have worked in the United States as farm laborers.

Mark W. Everson, deputy commissioner of the Immigration and Naturalization Service, said Wednesday that officials believed that more than half the farm worker applications in Florida alone contained fraudulent or untruthful statements. He said the government would "bring vigorous prosecutions" against some of the aliens.

From June through October, the agency said, it received 42,856 applications under the farm worker program in Florida.

"We have become concerned about the increasing level of fraud in applications under the program for seasonal agricultural workers," Mr. Everson said. Many fraudulent applications were filed by Haitians and Jamaicans, he said.

Aliens who are convicted of lying on an application for legal status can be imprisoned for up to five years and fined thousands of dollars.

The new immigration law prohibits employers from hiring illegal aliens and establishes two separate programs offering legal status, or amnesty, to illegal aliens. The eligibility standards for farm workers are much more liberal than for other illegal aliens.

Mr. Everson said the fraudulent nature of some applications became evident in interviews with applicants. For example, he said, some aliens in Florida said they had worked for a particular farm labor contractor but incorrectly described his race, saying he was white when in fact he was black.

As another example, Mr. Everson said some illegal aliens had told "very creative stories" about using a stepladder to pick strawberries. In fact, he noted, strawberries grow on the ground. Another immigration official quoted illegal aliens as saying they had harvested a crop of baked beans.

The officials described their experience under the Immigration Reform and Control Act, which was signed by President Ronald Reagan on Nov. 6, 1986. The government has received a total of 935,547 applications from illegal aliens: 177,160 under the special program for farm workers and 758,387 under the main amnesty program.

Under the law, the government may not divulge information in an application for amnesty and may not use it to locate or deport aliens. However, aliens may be prosecuted if they knowingly make "any false, fictitious or fraudulent statements" in their applications.

'Baby M' Mother Is Pregnant

The Associated Press

NEWARK, New Jersey — Mary Beth Whitehead, the surrogate mother whose fight for custody of "Baby M" led to a celebrated court case, has confirmed that she is pregnant out of wedlock. She will marry the child's father as soon as she is divorced from her husband, she said.

In a statement released by her attorney, Mrs. Whitehead said she began a relationship with Dean Gould a few months ago and learned in late September that she was pregnant by him.

Her separation from her husband, Richard, was announced in August. At the time she cited the pressures of the Baby M case as being behind the problems in her 14-year marriage.

Mrs. Whitehead, 30, who has two children by her husband, bore her third child under a $10,000 surrogacy contract. She lost custody of the baby in March to the biological father and his wife, William and Elizabeth Stern.

Mrs. Whitehead said in her statement that her fourth child was due in late May or early June.

Disclosure of the pregnancy was made Friday in papers filed with the New Jersey Supreme Court by Lorraine M. Abraham, the court-appointed guardian of the 19-month-old baby, now known as Melissa Elizabeth Stern.

The state Supreme Court is reviewing Mrs. Whitehead's appeal of the lower court ruling that gave custody to the Sterns but allowed her weekly visits with the child.

Ms. Abraham recommended in the latest court filing that Mrs. Whitehead's visits with her daughter be stopped and that the two not be allowed to meet again until the girl is grown.

Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

OPINION

A Time for Leadership

The stock market crash, President Reagan now says, two weeks after the fact, was a warning "we can't afford to ignore." What counts is what the president now does. And so far he and his aides have shown little fire in the negotiations with Congress on reducing the budget deficit. They are simply using the meetings as an opportunity to rehearse old arguments over priorities and old nostrums against tax increases.

What will it take to wake up the White House? U.S. stocks are now worth about $800 billion less than in August. Must the market undergo another meltdown before the administration accepts the urgent need to raise taxes by an extra few billion dollars or spend a few billion less on the military?

There is remarkable consensus among economists on what must be done at the bargaining table to reassure investors and improve U.S. leverage with Japan and Europe. Unless Congress and the White House negotiate a deal, the Gramm-Rudman law will cut spending by $23 billion; the military will take half the hit. A reasonable goal, then, is to respond to the market crash with a somewhat larger reduction, with the burden distributed in a way that signals Washington's determination to make much larger cuts in the future. That means some combination of higher taxes, reduced military spending and curbs on the growth of entitlement programs benefiting the middle class.

Congressional Democrats have offered a $31 billion package combining a $10 billion tax increase, $4 billion in entitlement savings and assorted program cuts and user fees. Congressional Republicans have bravely pressed to include cost-of-living curbs on that most sacred cow among entitlements, Social Security. But the White House has responded by insisting that taxes rise by no more than $8 billion, less than 1 percent of federal revenues. Military spending might be frozen, it says, but not cut. Talk of a "diet cola," a limited cost-of-living allowance, for Social Security to spread the burden of belt-tightening is simply ignored.

One bad day on the stock market costs Americans more than anyone dreams of for a tax increase. Economic deadlock among the allies weakens Western security far more than eliminating an extra aircraft carrier from the Pentagon budget. By ignoring realities that he cannot, or will not, understand, the president abdicates leadership and courts disaster.

— THE NEW YORK TIMES.

Weinberger's Legacy

With Caspar Weinberger's departure after seven years as secretary of defense, President Reagan will lose a loyal counselor who tirelessly championed greater military spending. Mr. Weinberger leaves a mixed legacy. He strengthened America's defenses, yet with enormous profligacy. He had little appreciation for the positive role of arms control in U.S.-Soviet relations. Yet he understood when American forces could be useful, as in the Gulf, and when they could not, as with the marines in Lebanon.

Mr. Weinberger saw himself as the Defense Department's salesman. He was forever calling attention to the Soviet threat, and exaggerating it. At first, Congress heeded his trumpeting and filled the Pentagon's coffers. He left his deputies and the armed services to do the managing. The predictable result was mismanagement and waste. Horror stories abounded of absurdly priced spare parts, like the navy's $2,043 plain round nut and the air force's $214 flashlight.

More seriously, he failed to set a coherent military strategy, leaving each service to pursue its own. The navy pushed ahead with its expensive and debatable strategy for destroying the Soviet fleet. The air force proceeded with three duplicative manned bomber programs. Each service was allowed to build every weapon on its wish list, regardless of national purposes and priorities. Because of poor management, the numbers of ships and planes being purchased have not increased much, and many major weapons programs are in serious technical trouble, like the B-1 bomber and the MX missile.

These problems eventually came to undermine the willingness of Congress to support Mr. Weinberger's program. Had he built and maintained a consensus for a steady 3 percent yearly increase in spending, he would have laid an enduring basis for a stronger defense. Instead, as the congressional mood switched toward cutting back on defense, he turned Pentagon budgets into a roller coaster ride of colossal destructiveness and inefficiency.

In strategic arms Mr. Weinberger's legacy has also been mixed. He invested in a needed strengthening of military communications to maintain civilian control in a nuclear crisis. But he pressed ahead with space-based defenses faster than proper scientific development indicated. And he dug in his heels when it came to trading weapons systems for Soviet concessions in the strategic arms reduction talks. His stubbornness, however, paid off in the agreement to eliminate medium- and shorter-range missiles from Eurasia.

Mr. Weinberger is to be succeeded by Frank Carlucci, at present the national security adviser, who has previously served ably at the State Department, the CIA and as Mr. Weinberger's deputy at the Pentagon. Mr. Carlucci, in turn, is replaced by his deputy, Lieutenant General Colin Powell. The changes will ensure that in the twilight of the Reagan administration these two vital posts are filled by experienced people.

Mr. Weinberger had a golden opportunity to lay a firm basis for reinvigorating national defenses. He succeeded only in part, and at a cost that was unaffordable.

— THE NEW YORK TIMES.

Other Comment

A Gasoline Tax Would Do It

The immediate cause [of the stock market crash] remains the extreme imbalance in the American economy, which is running a combination of trade and budget deficits at a level which cannot be sustained without risk of destroying much of the world's recent gains in prosperity. Last week the Reagan administration finally admitted the need for action. But this week it has become clear that the will to impose the necessary combination of tax increases and spending cuts does not exist. A dying Republican presidency and an antagonistic Democratic majority in Congress is a combination tailor-made to avoid rational decisions.

The solution of the crisis remains in the hands of the Americans, who could raise $50 billion a year from a gasoline tax and still leave petrol at prices not seen in Europe for the better part of a decade.

— The Daily Telegraph (London).

Rejuvenation in Beijing

Contrary to initial skepticism when the 13th congress of the Chinese Communist Party started its sessions on Oct. 25, Deng Xiaoping evidently has succeeded in rejuvenating the top party leadership. The makeup of the party's most important bodies has shown that those who are known as staunch reformists, either from the provinces or from the central government's ministries in Beijing, will be the dominating majority. The emergence of Zhao Ziyang as China's prominent leader in his new position as the party's general secretary symbolizes Mr. Deng's success in completing the complicated task of national leadership succession. The outcome of the party congress clearly shows China's determination in completing its ambitious goal of becoming a strong, modern nation that the world has to reckon with, certainly, sometime in the course of the 21st century.

— The Jakarta Post.

After months of uncertainty, with the triumph of Deng Xiaoping's policies at the Communist Party congress the reform process in China has resumed its momentum. However, questions remain about the stability of the reform policy, the biggest question being how far the party can go in pushing economic reform without sacrificing its monopoly of political power. None of China's leaders has shown any inclination to tolerate criticism from the people of the party's "leading role," and the rejuvenation of the Central Committee is unlikely to bring any changes in that respect. China's modernization program remains identified with Deng Xiaoping. Whether the new generation of leaders will continue that program after he passes from the scene is another unanswered question.

— Neue Zürcher Zeitung (Zurich).

Few Tears for Weinberger

In the matter of nuclear arms control, Caspar Weinberger's thinking was influenced more by anti-Sovietism than by grand strategic design. Although he is resigning for personal rather than political reasons, it is no accident that he will be out of office before President Reagan signs an accord about which he still has reservations. Although Mr. Weinberger was well liked by his European counterparts, particularly in [Britain], where he was a frequent visitor, there will be few tears shed over his going. He was too much of a hard-liner for European tastes and his constant battles with George Shultz, the secretary of state, over arms control policy caused confusion and disarray on this side of the Atlantic.

— The Independent (London).

Everest Is Still the Highest

How high is high? Mount Everest has always been one standard, as the world's highest peak. But that distinction was cast in doubt early this year when University of Washington scientists stunned the mountaineering world. Using satellite technology, they recalculated the second-highest peak, K2 in Pakistan, to be 29,064 feet (8,859 meters). Now an Italian team has used satellite measurements to put Everest back where it should be: in first place at 29,108 feet (8,872 meters). The team rechecked K2 and found it to be 28,268 feet (8,616 meters) above sea level. U.S. mountaineers are willing to accept the Italian measurements. K2 is indisputably one of the world's most beautiful mountains, but there can be only one highest — and Everest was, and is, highest.

— The Los Angeles Times.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

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S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

ISSN: 0294-8052.

A Prospect of Fewer Arms and Fewer Men

By C.L. Sulzberger

LONDON — Although America's image as leader of the United States as leader of the West has been seriously damaged by its faltering on its budgetary problem and on encouragement of world economic stability, this apparent weakening of its leadership position is being contradicted by the American government's success in the first phase of bilateral disarmament negotiations with Moscow.

Patient and persistent Washington statesmanship has held NATO's trans-Atlantic partners together under a Soviet diplomatic onslaught seeking to divide the alliance.

For years, Moscow's strategy was based on the assumption that its intermediate-range missiles could frighten Europe into reduced cooperation with the United States. As long ago as 1961, Nikita Khrushchev told me that NATO's European members were considered America's "hostages" by Soviet planners. But now the medium- and short-range missiles they had targeted on European cities and bases will be removed.

Under the INF treaty to be signed next month by President Reagan and General Secretary Gorbachev, Russia's SS-20 mobile missiles, its SS-4 silo-based missiles and its SS-22 and SS-23 short-range missiles will be dismantled. In exchange, the United States is withdrawing from Europe the 348 Pershing-2 and ground-launched cruise missiles that it has placed at NATO's disposal in this area.

NATO still retains in Europe more than a thousand nuclear-capable U.S. planes and 400 Poseidon submarine missile warheads, plus the modest-sized independent French and British nuclear weapons forces, which are not affected by the forthcoming INF treaty. There is the British Polaris missile force, to be replaced in the early 1990s by Trident missiles obtained from America but wholly independent except for technical and procurement agreements with Washington involving transfer of knowledge; and also the French strike force foreseen by Charles de Gaulle.

While some European partners worry that the new East-West missile balance will remove one potential stage of escalation in a theoretical war — and one showing how determined America is to safeguard its allies; and although many Germans dislike the idea of extending the range of NATO's nuclear artillery, which would strike their soil or East Germany's, there is general satisfaction with the new situation.

Soviet intermediate missiles are aimed at Europe, not America, but the allies have held together under Soviet pressure to achieve a diplomatic victory. The existing military balance of deterrents will remain although both sides reduce nuclear strength from its peak. The U.S.S.R. is entirely banning its SS-20 systems in Asia as well as in Europe, thus pleasing Japan and China.

Soviet analysts believe that the U.S. "star wars" program assumes greater importance as missile systems are numerically diminished. There is speculation, however, that Mr. Gorbachev may now see it as a less urgent problem with the imminence in 1989 of a new U.S. administration, perhaps less wedded to the Strategic Defense Initiative than Mr. Reagan. Anyway, momentum for reduction, in both strategic weapons and conventional forces, has gained.

Because of its high costs, conventional defense is a particular worry to the West and also to the Soviets, who wish to trim expenses and aright the demographic balance which now favors increasing numbers of soldiers from the U.S.S.R.'s Asian provinces. There is also an overall drain on the civilian work force and the public treasury.

At present there is every indication that the deterrent balance will remain unchanged, with NATO keeping its nuclear artillery and airbome bombs for American F-4s, F-16s and F-111s, submarines assigned to this nuclear function and the independent French and British forces. Moreover, the new U.S. Stealth bomber will induce the Soviet Union to change its costly air defense system, which is rendered useless by that plane.

There is widespread agreement among officials that the signature of the INF treaty will be swiftly followed by an accelerated set of negotiations on strategic weapons and by movement in the Vienna negotiations on conventional forces. A 50 percent strategic arms cut is awaited by spring.

The obvious goal of the present phase of revitalized talks is to stabilize Europe's nuclear balance while at the same time ensuring Europe's protection, initially replacing nuclear missiles with new delivery systems such as aircraft and submarines, extending the striking power of cruise missiles and ultimately cutting down the huge defense panoply erected by both sides of the nervous equation that balances world terror.

The hope is that long-range arsenals and conventional troop formations will soon shrink to conform with a growing mood of optimism on the prospects of continued progress in new fields of arms reduction.

The writer, a former New York Times columnist and the author of 23 books, contributed this comment to the International Herald Tribune.

By BAS in Tochydromos (Athens). C&W Syndicate.

Weinberger Goes, but Don't Jump to Conclusions

By Philip Geyelin

WASHINGTON — "Nothing ever gets settled in this town," Secretary of State George Shultz complained to a House committee some months ago. "It's a seething debating society in which the debate never stops, in which people never give up, including me." And Caspar Weinberger, he might have added, with a certain grim emphasis.

But Mr. Shultz didn't need to. As secretary of defense these past seven years, Mr. Weinberger has given new meaning to tenacity. Nor has there been any secret about the seething debates that have all too often characterized relations between the two secretaries and their departments.

That would be reason enough to expect that the departure of Mr. Weinberger (for personal reasons apparently unrelated to policy) will make a significant difference in the general way the administration conducts national security affairs in its final year — and in the way it approaches arms control negotiations with the Soviets, in particular.

Arms control, as Brent Scowcroft, a former national security adviser, told reporters recently, is "the most difficult issue for the president to come down on because his heart is with Cap Weinberger and his head is with George Shultz." Reminded in a telephone interview of that remark in the light of Mr. Weinberger's leave-taking, Mr. Scowcroft responded: "Now he's going to lose his heart."

The president and his long-time associate shared the same deep, emotional distaste for dealing with the "evil empire." Mr. Weinberger's easy access regularly reinforced the president's distrust of the Soviets.

Mr. Scowcroft worries that Mr. Weinberger's resignation will remove a badly needed "brake" on arms control negotiations that Mr. Scowcroft and others believe are moving in the wrong direction and too fast. But supporters of the way arms control bargaining is proceeding will welcome the absence of Mr. Weinberger as the removal of a monkey wrench in the policy-making machinery.

The rancor level will be reduced. Mr. Shultz will have a freer hand and better hope of realizing the role he claimed for himself at that same House hearing as the president's "principal foreign policy adviser." More decisions may stay "settled."

So it is easy to make the case that the removal of Mr. Weinberger (who was described by the late Theodore White as a "man obsessed with his mission") and his replacement by a skillful technocrat like Frank Carlucci (who played important supporting roles in Democratic as well as Republican administrations) will shift the administration's center of gravity from ideological dogmatism to prudent pragmatism. But it is also easy to overestimate the shift.

For one thing, the change at Defense is only the latest piece in a pattern: Vernon Walters for Jeane Kirkpatrick at the United Nations; William Webster for William Casey at the CIA; Howard Baker for Don Regan, and Mr. Carlucci for John Poindexter, at the White House. For another, Ronald Reagan will still be president, beset by the same inner conflicts and responsive to the clamor of his conservative constituency.

He wants arms control agreements before he leaves office. Mr. Weinberger could not have blocked the first step. A deal on intermediate-range nuclear forces has been all but made.

Mr. Reagan also wants to preserve "star wars," with its dream of airtight nuclear defenses, which is the key to a second-step agreement on a 50 percent cut in strategic missiles. Here Mr. Weinberger might have made a difference. He has resolutely resisted a compromise with the Soviets on how to interpret the prohibitions of the anti-ballistic missile treaty on the testing of defensive systems in space.

But even if State's more flexible position on the meaning of ABM (forget the legalisms, negotiate the nuts and bolts) now prevails, it does not necessarily mean that the worst fears of the arms control critics — a "sloppy deal" on strategic arms, as Mr. Scowcroft puts it — will be realized.

Time is one factor. The problem of Senate ratification is another. A case can be made that any agreement reached without Mr. Weinberger in on the process will be more vulnerable to conservative challenge.

One pictures Mr. Weinberger proudly presiding over the largest peacetime military buildup in history. But the Gramm-Rudman hatchet would still be hanging over the defense budget even with him on the job. One remembers that he has consistently been more hesitant to commit U.S. military forces to combat than Mr. Shultz. But his sensible reservations reflected those of the uniformed military, and the Joint Chiefs will still be on the job.

Things will be different without Mr. Weinberger, but not to the degree, and not necessarily in the ways, that you might suppose.

Washington Post Writers Group.

Nuclear Deterrence and NATO Are Still the Right Answers

THERE are many recent exuberant statements about glasnost from American figures of a liberal persuasion. Certainly Mikhail Gorbachev's beginning efforts at reform are interesting, are positive and should be encouraged. But Peter the Great, Alexander II, Lenin and Khrushchev all had their reforming periods. Sometimes Russia's neighbors got a respite from that nation's millennium of expansionism, and sometimes not. It is only prudent to avoid getting palpitations about glasnost and perestroika until the Afghan rebels, Solidarity and the rest of the world see more substantial results.

Meanwhile, the isolationism that held sway on the right of American politics for many decades, and then migrated to the left during the Vietnam War, has now found a foothold on the right again. Conservative intellectuals have started to propose withdrawal from NATO.

Most who are bashing the alliance and deterrence feel free to do so because they believe that a deus ex machina is about to descend to the world's stage and solve all strategic problems. For some, such strategic salvation is expected to come from an early SDI deployment. For others, it seems to come from the assumption that in short order Russia's empire will be dramatically converted into government by a genial group of capitalist-minded commissars running a free market economy that is more or less on the verge of democracy.

These two notions have in common a high degree of fantasy. Those who defend deterrence and the alliance have recently seen hostile action, sanctioned by such fantasies, on both flanks. It is time to return the fire.

— R. James Woolsey, a former U.S. undersecretary of the navy, writing in The Washington Post.

For Now, the U.S. Budget Deficit Isn't the Problem

By Francis M. Bator

CAMBRIDGE, Massachusetts — The task of governments now is to protect the "real" economy — production, income and employment — from the downward pressure exerted on private spending by the shocking loss of recently acquired financial wealth: about $1 trillion in the United States alone, or $14,000 per family.

That small reductions in wealth have typically caused only very small reductions in spending offers no ground for complacency. The odds on a recession in 1988-89 have shortened. In a debt-ridden world, the consequences could be devastating. Governments should take the following steps:

1. The major central banks should continue to drive down short-term interest rates and stand by as lenders of last resort. Even before Black Monday, the risk of an inflationary boom was small; recession is now the greater danger by far.

2. For internal as well as international reasons, Tokyo and Bonn should cut taxes or increase expenditures, or both, by significant amounts.

3. The United States needs to bring long-term interest rates down, improve its bargaining position abroad and remedy the high-consumption, low-investment bias caused by an overstimulative budget and a tight monetary policy. To these ends, a commission led by former Presidents Jimmy Carter and Gerald Ford should be asked to prepare a plan of future spending cuts and tax increases. The object would be to shift the structural budget (that is, what the budget would be at high employment) from a deficit measuring 5 percent of GNP in 1985, and 3 percent now, into a surplus of 1 to 2 percent by the mid-1990s.

Such a 6- to 7-point turnaround in the American government's saving rate would make room both for a 3- to 5-point improvement in exports relative to imports and for the increase in private investment needed for better productivity growth. Taken together, tax increases and cuts in the government's noncapital expenditures should also allow for an increase in public investment in infrastructure, research and development, and education.

4. Apart from modest symbolic cuts, the United States should not now tighten the 1988-89 budgets, either by raising near-term taxes or by cutting expenditures. And if a 1988-89 recession causes the budget deficit to balloon, then Washington, rather than repeat the tragic fiscal mistake of 1932, should welcome that built-in "parachute" effect and, if necessary, make the deficit larger still by temporary spending increases and tax cuts.

Budget deficits are not good or bad as such. To blame them for the bursting of the stock market bubble is both nonsense and irrelevant; one might with equal reason credit them for the rise in the market that preceded the bust. They are good or bad according to what effect one wishes the budget, and monetary policy, to have on the economy — on total spending, and thus on output and employment, and on the allocation of output among consumption, public and private investment and net exports.

The deficits of 1981-1983 were, on balance, good deficits; together with easier money in 1982 they saved America from an even worse recession. But the 1984-1987 deficits have been bad. Government purchases and personal consumption have grown too fast. To prevent an inflationary boom, the Fed has had to use high real interest rates mercilessly, squeezing the other components of spending: domestic private investment and net exports. (High U.S. interest rates boosted foreign demand for dollars to buy U.S. securities, thus causing the dollar to appreciate. That made American goods expensive abroad and foreign goods cheap in America.)

By 1985, the share in GNP accounted for by personal consumption and government purchases, taken together, was three percentage points higher than during 1961-1979; net private domestic investment was down by one point; net exports had dropped by three points to produce an international current account deficit equal to 3 percent of GNP. America "absorbed" 103 widgets for every 100 widgets it produced. It paid for the difference by running up the rest of the world's claims on the U.S. economy.

Fiscal tightening is not an end in itself. The goal is to shift resources from public and private consumption into investment and net exports, not into unemployment and nonuse. By itself, fiscal tightening will serve only to compress consumption and government purchases, thus releasing resources. To draw those resources into investment or net exports will require strong Federal Reserve action to reduce interest rates in the United States, a cheaper dollar and expansionary policies in Japan and Europe.

Bringing about such a switch is a delicate task, best done gradually, and with the economy expanding rapidly. Fiscal compression works predictably and fast; monetary ease, acting in part through the exchange rate, works only slowly. The lags are variable and long.

(The notion that stringent tightening of the fiscal 1988 budget would revive "confidence" is implausible. Maybe for a week; that is how long it would take Wall Street analysts to lower their 1988-89 profit estimates. A policy that damages sales and profits and makes a recession more likely is unlikely to induce money managers to rush out and buy common stock.)

Still, a credible, multiyear plan to eliminate the structural budget deficit would help. The roles assigned to tax increases and spending cuts should reflect a national debate about how Americans want to divide up the national product — currently about $60,000 per family. Private investment and net exports must go up. Spending should also increase on public capital, including education. Moreover, it is better to squeeze the consumption by taxpayers in general rather than consumption by the beneficiaries of transfer payments. If I am right, tax increases down the road should play a large role. They are essential if a political compromise is to be achieved.

With luck, prudent management can still produce a decent outcome during the next several years. In the near term, both monetary and fiscal ease is the right policy. For 1988-89, appreciable fiscal tightening would be dangerous. It is a mistake to take medicine just because it hurts. There is enough pain to go around as is.

The writer, professor of international political economy at Harvard's Kennedy School of Government, was deputy national security adviser to President Lyndon Johnson. He contributed this comment to The New York Times.

AFTER Black Mondays I and II, policy measures that had been dismissed in the United States for years as politically impossible can now at last be judged on their merits. Far and away the most important of these is a gradually rising gasoline tax. A phased-in gasoline tax would be enough to buy reduced energy imports, a smaller trade deficit, a substantial measure of added energy security, and high-efficiency cars that would be able to compete with Japanese and European models when oil supplies tighten and prices rise, as they eventually will. All this and a large, continuing and predictable flow of funds to reduce the deficit — and leash the bears on Wall Street.

Jessica Tuchman Mathews, writing in The Washington Post.

Iran Caper, Version Française

By Jim Hoagland

PARIS — France's policy on arms sales abroad has always been a rigorously lucid one: the more the merrier, whether the government in charge is conservative or leftist. The first tip-off in 1981 that the newly elected French Socialist government was going to be more French than Socialist came in fact when it decided to give jobs at home in defense industries a higher priority than striving for international harmony.

A secret army report on French arms shipments to Iran shows just how far that policy went. While providing Iraq with the most sophisticated nonnuclear weapons in its arsenal, the French government was also tolerating the shipment of around 500,000 high-caliber artillery shells and explosives to Iran between 1983 and 1986.

The report establishes that the Socialists' decision to overlook these exports grew out of official concern that nearly 1,000 jobs would have been otherwise lost in the factories run by the Luchaire company. The report also makes vague and unsubstantiated suggestions that the fraudulent arms trade provided commissions to Socialist Party operatives who put some of this money into party coffers.

The notion of an "Ayatollah PAC" helping the Socialists is dominating the Paris headlines as major chunks of the report leak daily into the French press. The disclosures are seen as a harbinger of the presidential elections next spring, with the opponents of Socialist President François Mitterrand clearly hoping that the mud of the scandal will splash onto him and help them win the presidency.

But a careful reading of the entire report, which was commissioned by the conservatives and is classified "defense confidential," shows that its importance lies elsewhere. It documents how a highly centralized government goes about the same kind of foolishness within the system that America's freewheeling Lieutenant Colonel Oliver North was pursuing out of channels about then. The Iran-contra affair echoes through *l'affaire Luchaire*.

Once again the cover-up becomes as important as the action. The Defense Ministry committees that "review" arms exports calmly wave through end-user certificates that carry phony destinations for shipments actually going to Iran. A shipload of 203-mm shells for Thailand is approved, even though Thailand has no weapons that use such shells. When a junior official points out that Ecuador seems to be buying more 155-mm shells than it can possibly ever use, he is apparently persuaded otherwise by his superiors.

French intelligence agencies that have not been cut into the action quickly come across the operation and start asking questions. Spymaster Admiral René Lacoste takes his concern all the way to Mr. Mitterrand in a meeting on May 21, 1984, and is told simply to talk to Defense Minister Charles Hernu. This wonderfully enigmatic response is the Mitterrandian equivalent of President Reagan forgetting what he may have known and when he may have known it.

The shells undoubtedly were important to Iran's land offensives against Iraq. But in contrast to the Iran-contra affair, France does not appear to have exported sophisticated weapons on the order of TOW and Hawk missiles to Iran — perhaps because France's multibillion-dollar contracts with Iraq establish strict limits on what can be sold to other countries in the region.

The report is silent on the question of whether the Socialists also sought to use the arms shipments as part of their efforts to win the freedom of French hostages being held in Lebanon. It is hard to believe that the arms-for-hostages card was not at least flashed at some point in the negotiations, either by the French or by the Iranians.

Authoritative sources have concluded that the French arms merchants were dealing with the same group of Iranians who were at the other end of Colonel North's line. In the most direct echo of the Iran-contra affair, the idea persists in some government circles in Paris that there are relative moderates in the Tehran regime who want better relations with the West.

Such hopes underpin the secret contacts that the conservative government of Prime Minister Jacques Chirac continues to have with Iran. The contacts reportedly are making progress on ending the blockade that the two countries imposed on each other's embassies in July, and may even bring some good news soon on the fate of some of the five French and eight American hostages in Lebanon. That at least is the November Surprise scenario being talked about right now.

The Washington Post.

100, 75 AND 50 YEARS AGO

1887: Irish Mount Up

DUBLIN — A number of nationalist meetings will be held throughout Ireland tomorrow [Nov. 6]. An extraordinary demonstration has been arranged to take place in one of the proclaimed baronies of county Cork, in the shape of a gathering in which every person will be mounted, including the speakers. The idea is that, if the police interfere with the meeting, the entire assembly will gallop off to some other point, and continue the meeting until the police again march up, when the same maneuver will be repeated. Over a thousand horsemen, it is stated, will take part in this novel attempt to defeat the authorities.

1912: Wilson Elected

NEW YORK — The Democratic donkey is the king of beasts. He has chased the "Bull Moose" into the wilderness and the Republican elephant off the face of the earth. While the twilight was gathering [on Nov. 5], the Herald's searchlight flashed the news that Governor Woodrow Wilson had been elected President beyond all doubt. Theodore Roosevelt is a poor second, and President W.H. Taft, the regular Republican candidate, "also ran." There is no question but that Congress will be Democratic.

1937: Tripartite Pact

ROME — Joachim von Ribbentrop arrived in Rome this morning [Nov. 5] to affix his signature, on behalf of the Third Reich, to the tripartite anti-Communist agreement, which has been reached between Germany, Italy and Japan. The ceremony of signing will take place tomorrow.

BERLIN — Speaking here tonight before 15,000 persons, Dr. Josef Goebbels described Hitler and Mussolini as "two prudent men standing guard over Europe which is exposed to the great dangers of Bolshevism and Liberalism." He added that Germany would not in any case permit the Bolshevization of Spain.

OPINION

If the Press Is to Be Free, It Matters Who Owns It

By Anthony Lewis

LONDON — By freedom of the press we mean a privately owned press free of government interference. But whether we have an honest press, a diverse and independent press, then depends on something else: who the owners are. The point is made with uncommon force by a drama now being played out in British publishing.

The Financial Times, a superb newspaper known for editorial independence, is under what appears to be a takeover threat from a man whose name is synonymous with slippery journalism, Rupert Murdoch. In September Mr. Murdoch suddenly bought 14.9 percent of the shares of Pearson, the conglomerate that owns the Financial Times. He spent £270 million.

> *'I had no cause for personal complaint, but I saw how good newspapers, and once independent spirits, withered in his presence.'*

In addition to the Financial Times, Pearson owns 50 percent of The Economist and of Lazard Brothers, the merchant bank. It has oil interests and owns Penguin and Longman's book publishers, Château Latour, Royal Doulton china and Madame Tussaud's Waxworks.

Nobody thinks that Rupert Murdoch made the big move on Pearson to get control of Madame Tussaud's. His main interest is in publishing and television — and the power they give him. He controls large newspaper, book publishing and television companies in Australia, the United States and Britain.

In Britain Mr. Murdoch's newspapers include The Times and The Sunday Times at the upper end of the market, and at the bottom the News of the World, Today and the Sun, the country's largest-selling tabloid, with a bare-breasted model on page 3 daily. Together they have about a third of the national newspaper circulation. That is already a dangerous concentration of press ownership for any free society. It is especially dangerous in the hands of Mr. Murdoch, who has made it a practice to interfere in the running of his newspapers even when he has formally promised to give the editors independence.

Peter Jenkins, Britain's leading columnist and now with The Independent, was briefly with The Sunday Times. His stay there, he wrote recently, taught him that promises of editorial freedom "are of very little weight against a proprietorial or managerial ethos which is unfriendly to honest, fair and decent professional journalism. I had no cause for personal complaint against Mr. Murdoch, but I saw how good newspapers, and once independent spirits, withered in his presence — or at 3,000 miles removed."

The tradition of the Financial Times is utterly different. Soon after Pearson acquired it 30 years ago it commented critically, and with devastating effect, on a major proposed company takeover that Pearson favored. The editor never heard a word from Pearson executives.

That tradition has attracted outstanding reporters and editors to the paper. It has also secured the confidence of the business and financial world.

The same respect for independent editorial decision played a part in the American publication of "Spycatcher," by Peter Wright, a book banned in Britain. It was published by Viking Penguin, which Pearson owns. A British government lawyer pressed the chairman of Pearson, Lord Blakenham, to stop Viking Penguin from going ahead with "Spycatcher." Lord Blakenham took the position that it would be wrong to dictate what the U.S. company should do under U.S. law.

If Mr. Murdoch had been in charge, the result would very likely have been different. All his newspapers have been enthusiastic supporters of Margaret Thatcher and her government.

A 1973 British law designed to prevent undue concentration of newspaper ownership requires most acquisitions to be referred to a Monopolies Commission. But ways of avoiding it have been found in the past, and some people have feared that Mr. Murdoch's political influence would find another.

Now the feeling is that he will not be allowed to control Pearson and the Financial Times. Some believe that his real aim is to break off and acquire Pearson's book publishers, or to make a deal for Financial Times data services. But all that is speculation about a man who keeps his motives out of sight.

There may be financial pressure on Mr. Murdoch because of the stock market fall. His Pearson shares have dropped $157 million in value since he bought them — and those values are geared into his heavy borrowing. The one sure thing is that Pearson and the Financial Times are determined to resist him. Those who believe in a free press should be rooting for them.

The New York Times.

Yes, There Can Be a Time to Pull the Plug

By Daniel S. Greenberg

WASHINGTON — Here we have it from the Olympus of health-ethics scholarship: Let's not lavish life-extending medical care on very old, very sick people.

The sentiment is neither unique nor remote from the realities of day-to-day medical decision-making. However, it has been a frowned-upon fringe position in the politics of American medicine.

But now it is on the table, and unavoidable in public dialogue. This is not only because of its highly respectable source but because it is linked to the increasingly uncontrollable problem of what is to be omitted in health care when you can't pay for it all.

The proposal comes from Daniel Callahan, director of the Institute of Social Ethics and the Life Sciences in Hastings-on-Hudson, New York, an independent institution pre-eminent in studying the interplay between the health sciences and values and ethics.

Applied without regard to age and condition, Mr. Callahan argues, high-tech, life-extending care "is the endless scientific frontier of medicine and is also its economic bottomless pit." It contributes to ceaseless increases in both medical spending and the ranks of citizens unable to afford even minimal care.

Despite $500 billion a year in public and private funds devoted to health care, more than 35 million Americans are without health insurance. The system underwrites extremely expensive, high-tech care for many of the terminally ill, yet it neglects long-term and home care that could provide meaningful life for senior citizens with relatively minor infirmities.

"The success of medicine in saving and extending lives has meant a dramatic increase in chronic illness, especially for those over 80," Mr. Callahan recently wrote. Would it be discriminatory, he asked, "to use age as a standard to limit life-extending care? Not at all, if it were done to provide a higher quality of life for the elderly by beginning a transfer of emphasis from acute-care medicine to other forms of care." Mr. Callahan has argued this in newspaper opinion columns and in a new book, "Setting Limits: Medical Goals in an Aging Society."

His suggestions are sure to be damned as euthanasia in disguise, but they are nothing of the sort. They represent an overdue confrontation with reality in the economics and technology of health care. America's is a great system when it works well, envied around the world. But its triumphs have been accompanied by a process in which Americans are spending more and getting less and doctors are performing wonders in postponing death, but not often enough in enhancing life.

The rationing of health service — you get so much and not more — is never officially acknowledged, since the American dream includes the fanciful notion that no one goes without proper medical care for lack of money. And when payment is guaranteed, as is often the case with well-insured elderly patients, high-tech attention can be boundless, even if ineffective.

The reality is that ability to pay rations health care as much as it rations dinners at three-star restaurants. An illusion of care for all is created by the tradition of hospital charity, the Medicaid safety net and an assortment of state and local programs for the poor. But this mélange of assistance is increasingly skimpy and strained as the medical bills of its beneficiaries outpace the sources of finance.

What is striking about America and its medical system are the cruelties that are routinely tolerated under the delusion that high-tech devices are bringing about a new era of healthful longevity. As Mr. Callahan points out, the new technologies "will not necessarily make old age more meaningful and satisfying — many of the elderly are already terrorized by the prospect that modern medicine will keep them alive too long — and it will surely divert money from the health and other needs of younger age groups."

The Callahan message exposes the economic myopia that is built into American health care. A great deal of needed care is neglected while a great deal of highly expensive, useless care is routinely provided. Humane medicine shouldn't work that way.

© Daniel S. Greenberg.

MEANWHILE

LETTERS TO THE EDITOR

Cluster Bombs and Chile: Where Is the Evidence, If Any?

Regarding "Chile and Panama Supplying Bombs to Nicaragua, U.S. Officials Assert" (Oct. 27) by John M. Goshko:

The writer quotes U.S. officials as stating that they have reliable intelligence reports that Nicaragua, through arrangements with the government of Chile and Panama, has obtained cluster bombs to use against the Nicaraguan rebels.

Neither the U.S. State Department nor any other U.S. agency has approached the Chilean Embassy on this matter, as they would most certainly have done if any evidence had surfaced.

The armaments-maker allegedly involved in the sales, Ferrimar, is a private company with no links to the government of Chile, and the government of Chile is not aware of any sales by Ferrimar such as those described.

No authorization by the Chilean government has ever been issued for sales by Ferrimar to Panama or Nicaragua. Also, a preliminary investigation shows no evidence of any sale to those countries without such authorization. Any such sale would be illegal, and if it were found that it had occurred, those responsible would be brought to justice.

The report states that U.S. officials declined to offer specific information, but that they insisted that Chilean-made cluster bombs were used in recent air attacks against the rebels. However, a spokesman for the Nicaraguan rebels is quoted in the article as saying that markings on cluster-bomb canisters recovered by the rebels in October indicated that the bombs were Soviet-made, and that he was not aware of any evidence that Nicaragua was using similar weapons made in Chile.

U.S. officials, according to the report, said that Chile and Nicaragua had set up secret meetings periodically in Panama and other countries. No such meetings have ever taken place.

Chile is advancing at a fast pace toward democracy and feels only friendship toward the United States, a country with which it wishes to share good relations within a framework of respect. However, there exists hostility on the part of some in the United States who are waging a campaign to damage bilateral relations. The officials quoted in the report undoubtedly are engaged in that campaign.

HERNAN FELIPE ERRAZURIZ,
Ambassador of Chile.
Washington.

Post-Crash Ideas on Trade

As a member of the London Stock Exchange, may I point out that the City, as well as Wall Street, is deeply concerned over potential dangers to America and the world from new U.S. trade restraints. A strongly protectionist trade act could provoke further market collapse with wider ill effects. One hopes that U.S. congressmen are fully aware of this risk.

D.E.A. SIBLEY.
London.

The crash on world stock exchanges has clearly demonstrated the mutual dependence of the industrial nations. Japan and Western Europe should consider whether it is not time to support American industry in those areas in which it is efficient by relinquishing world market shares. Forty years ago the United States launched the Marshall Plan, providing aid for the West European nations in rebuilding their industries. Now it is time to assist the U.S. economy.

HORST MOLLER.
Hamburg.

Jefferson Asked Congress

In response to "Weinberger Sees No Need to Use War Powers Act" (Sept. 28):

Two precedents are relevant to recent actions of U.S. forces in the Gulf and the statement by Secretary of Defense Caspar Weinberger that the War Powers Act need not be invoked.

When the ships of the Barbary pirates had been engaged and disarmed by units of the American navy, they were released. President Jefferson reported the defensive action to Congress and asked it to express its will about any offensive action it might wish American forces to take.

The Gulf of Tonkin incident led to U.S. involvement in the Vietnam War without a declaration of war. The evidence that later emerged concerning the incident was responsible in part for the adoption of the War Powers Act.

ARTHUR L. BERNEY,
Visiting Professor.
United Nations Institute
For Disarmament Research.
Geneva.

A Shepherd, Not a Martinet

On Sept. 23 you published a cartoon by Oliphant in which American clerics supposedly hear the pope saying: "O.K., you American radical wackos, this is the pope! Throw down your liberal catechism and ecumenical propaganda and genuflect on out here, quicksmart!" The cartoon is way out of line. The stance of Pope Paul II is not that of a martinet but of a shepherd who controls his flock for its safety.

As for being anti-ecumenical, the pope recently organized an ecumenical gathering in Assisi to which all faiths were invited to send representatives.

DOROTHY B. MURRAY.
Wicklow, Ireland.

An Expensive Newspaper

By way of congratulating you on the 100th anniversary of a fine paper, let me contribute an anecdote.

My main hobby for many years has been skiing, and one of the best places I found to do it was the French resort of Val-d'Isère in Haute Savoie. The village has one store that sells newspapers. The International Herald Tribune was and still is available in the early afternoon on the day of its publication. In former times, there were only a limited number of copies and they would not reserve a copy even if you asked.

One day I came in late from skiing and the copies of the paper were gone. I jumped in my car and drove to Tignes, about 16 miles (about 25 kilometers) away. There I got the last copy. I had a cup of coffee and was about to drive back when I found that the road had been closed because of a snowslide. So there I was — no toothbrush, no razor, no pyjamas. I finally found a room — of course in the most expensive hotel, all the others being full — and bought some of the items I needed for the night. Early the next morning, the road having been cleared, I drove back to Val-d'Isère.

That paper cost me about $125. But I hadn't missed a single day's copy.

ROBERT B. REDLICH.
Munich.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Between U.S. Navy Warships and Ubiquitous Gulf Dhows, a Failure to Communicate

By Roberto Suro

New York Times Service

DUBAI, United Arab Emirates — Visibility in the shipping lanes of the Gulf was dropping in the amber dusk. Suddenly, a young, twangy American voice came over the marine radio: "Unidentified dhow one mile off my port bow, this is a U.S. Navy warship. State your intentions."

The admonition was repeated once, then again, and each time the sailor's voice grew more insistent. But there was no response from the dhow, one of the local wooden boats that ply the Gulf in uncounted hundreds.

The two vessels were simply on different wavelengths in every sense of the word. The U.S. Navy is in a war zone on a mission with global implications and has orders to be battle ready at every moment, tracking every bobbing dhow on its computer screens. The dhows, vessels with a long tradition of circumventing authority, are in their own backyard, impervious to the concerns of intruders.

Even if they are disposed to communicate with warships, dhows rarely carry radios or crew members who speak English. The replacement of sails with motors over the last 30 years or so is one of the few concessions to modernity in the stout boats whose hulls are still treated with fish liver oil.

For a reporter eavesdropping from a helicopter some miles away, the sailor's radio call seemed a case of the American military operating in an alien culture with little hope of making contact — even with the best intentions. Awkward during normal times, it is a dangerous type of alienation in the tense and crowded waters of the Gulf.

Just a couple of hours after the sailor gave up trying to contact the dhow Sunday night, the same U.S. Navy ship, the Carr, fired on a small vessel suspected of being an Iranian patrol boat. Instead, it appears the target was an innocent fishing boat from a friendly Gulf country, and an Indian crewman was reportedly killed.

"I am only surprised it has not happened before and I am worried it could happen again, often," said a senior port official in Dubai. "They bump into each other all the time. The Americans worry the Iranians could attack from a dhow, but the dhows are not going to change their ways."

The dhows, which now mostly shuttle between Dubai and Iran, could become even more of a problem if the United States and other Western nations try to impose the kind of stringent trade sanctions on Iran that they have threatened.

About 15 to 20 dhows a day leave Dubai for Iran carrying upward of three to four million tons of cargo a year, according to one estimate. Precise figures are hard to find because outgoing cargo is not taxed, and so as a practical matter it is not thoroughly inspected, a port official said.

According to a Western diplomat in Dubai: "Embargoes have often been ineffective in the past because there is always someone resourceful enough to find a hole to run through. In this case, the dhow captains are extremely resourceful people who would create a very big hole."

Along the shores of Dubai Creek, the historical heart of the Gulf dhow trade, Captain Mohammed Suloom is legendary for his resourcefulness. As with all sailors, his legend is somewhat self-proclaimed.

He is an old man now with watery eyes and a mouthful of black teeth and gold dentures. But he happily remembers his adventures, like the time when the ruler of Dubai asked him to go to Aden. "I could not admit I did not know how to find it," he recalled, "but I had an idea where it was, and so I counted the stars until we arrived."

The captain has never used a compass or charts in traveling to ports as far away as Bombay, although some of the younger captains do. His knowledge of navigation was handed down from father to son in a line of descent that, he says, goes back to Sinbad.

Dubai's sailors continue to make dhows following age-old designs. Boats made of fiberglass, like the one fired on by the U.S. Navy frigate, have come into use, but the dhows endure because, as the old captain put it, "if you change anything, it is not a dhow any more."

Royal Yacht Sails After Refit

Reuters

LONDON — The royal yacht Britannia put to sea Tuesday after a 10-month refit at Devonport dockyard in southern England that cost $33.2 million, the British Royal Navy said.

Iran Leader Sees 'No Hope' for UN Peace Effort

The Associated Press

MANAMA, Bahrain — Prime Minister Hussein Moussavi of Iran said Thursday that he saw "no hope" for success in United Nations efforts to end the Gulf War.

He was quoted by Iranian radio and the country's Islamic Republic News Agency, both monitored in Cyprus, as saying Iran was in "extremely crucial circumstances" and urging mobilization against the United States.

Mr. Moussavi spoke after a meeting in Tehran of the Political Council, a group of senior cabinet ministers, to discuss developments in the Gulf.

Meanwhile, Iranian radio said Iranian bombers had "inflicted heavy casualties" in raids on Sharhani and Zubeidat in southeastern Iraq.

The broadcast said the attacks were in retaliation for Iraqi air strikes Wednesday on "nonmilitary targets," which it said inflicted some civilian casualties.

The radio did not say how many Iranian planes were involved in the raid Thursday. The Iranian Air Force, depleted by combat losses and a shortage of spare parts, rarely uses more than two or three planes in a raid.

The report could not immediately be verified.

Mr. Moussavi's comments further dampened hopes that the UN secretary-general, Javier Pérez de Cuéllar, would succeed in negotiating a cease-fire.

"We have no hope that the UN can do anything about the war," Mr. Moussavi said.

He added, however, that Iran would "not refrain" from maintaining contacts with the United Nations "within Iran's framework of principles."

His remarks indicated that Iran was sticking to its demands that Iraq be branded the aggressor before any progress can be made toward a cease-fire.

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Partial Amnesty Is Seen As Likely After Ortega Vows to Act for Peace

Compiled by Our Staff From Dispatches

MANAGUA — President Daniel Ortega Saavedra said Thursday his government would take positive steps to comply with a regional agreement for ending guerrilla wars in Central America.

Diplomats said that Mr. Ortega was expected to grant a partial amnesty and possibly modify the state of emergency in force in Nicaragua. This would fall short of demands by the opposition for a total amnesty and the complete abolition of emergency laws imposed in 1982 in response to attacks by U.S.-backed rebels, known as contras.

But diplomats said the steps, expected to be announced at a public rally on Thursday night, were unlikely to satisfy opponents of the Marxist Sandinist government who contend that Nicaragua is not complying with the accord.

Mr. Ortega made his statement on his return from Moscow, where he attended celebrations of the 70th anniversary of the Bolshevik Revolution.

The author of the plan, President Oscar Arias Sánchez of Costa Rica, said Thursday that "the essence" of peace in the region is "reaching a negotiated cease-fire in Nicaragua."

"Unless we do this, reach a negotiated cease-fire in Nicaragua, we won't be able to force Honduras to get rid of the contras," Mr. Arias said at a news conference in San José, Costa Rica. "This is the first step that must be taken.

"Once we have a negotiated cease-fire," he added, "the contras will become refugees in Honduras, Costa Rica or Miami and they won't be soldiers anymore."

Under the peace plan, signed Aug. 7 by five Central American presidents, Thursday was the deadline for democratic reforms and cease-fires in the civil wars in Nicaragua, El Salvador and Guatemala. The deadline has been extended informally until Jan. 4.

Nicaragua says that it cannot grant total amnesty or revoke its emergency while the country is at war. It has demanded that the United States stop supporting the contras.

A key provision of the peace plan calls for an end to outside support for guerrillas.

U.S. nonmilitary aid to the contras has continued, but President Ronald Reagan, who once described the agreement signed in Guatemala as "fatally flawed," has indicated that he will delay requesting $270 million of additional aid to give the peace process a chance.

In another move to meet the conditions of the accord, President José Napoleón Duarte of El Salvador announced Thursday that his country's armed forces would observe a unilateral cease-fire in the war against leftist rebels.

The military will cease offensive operations from midday and maintain only defensive positions unless attacked, and air and artillery bombardments will stop, he said.

In Washington, as the crucial two-month period for carrying out the peace plan began, the Reagan administration was said to have decided to seek $30 million in new nonlethal aid for the contras, and the House of Representatives approved $3.2 million in aid to the rebels.

The $30 million in funds to be sought by the White House would be used for food, medicine, clothing and fuel for the rebels, administration officials said.

The House, on a 256-159 vote, approved $3.2 million of nonlethal aid to the contras on Thursday. The funds, attached to a stopgap government spending bill, were approved with little debate.

Dropped from the funding measure was a provision that would have prevented the U.S. Central Intelligence Agency from dropping supplies by air to the contras inside Nicaragua.

The House speaker, Representative Jim Wright, Democrat of Texas, said before the vote that Nicaragua's ambassador to the United States, Carlos Tunnermann, had told him he did not object to the nonlethal aid, which is to run through Dec. 16.

The administration plans to ask for $30 million in nonlethal contra aid amounted to an acknowledgment that the rebel forces have enough military supplies to sustain them until early 1988.

(Reuters, AP, NYT)

Carlucci's Successor: Unusually Popular

By Lou Cannon
Washington Post Service

WASHINGTON — Lieutenant General Colin L. Powell, appointed Thursday as national security adviser to President Ronald Reagan, has proved unusually popular in an administration often known for feuds and backbiting.

General Powell, the deputy to Frank C. Carlucci on the National Security Council staff for 10 months, would be Mr. Reagan's sixth national security adviser and the first black to hold the job.

The general, 50, once served as the top military aide to Defense Secretary Caspar W. Weinberger. He commanded the U.S. Army's 5th Corps in West Germany before becoming Mr. Carlucci's deputy.

Several army colleagues said his acceptance of a series of essentially political appointments derailed a career that might have made him the army's first black chief of staff. General Powell has told friends that he resisted promotion to the national security job and took it only after Mr. Reagan asked him.

"He always does what he says he is going to do," said a senior White House official who has worked closely with the general.

The official said that General Powell was Mr. Carlucci's choice as his successor and that he had the backing of Secretary of State George P. Shultz.

The son of immigrant parents from Jamaica, Colin Powell was born in New York City and attended the City College of New York. He was commissioned a second lieutenant after he finished college in 1958, and he rose rapidly in rank. He won a Purple Heart in Vietnam in 1963 when he fell into a trap near the Laotian border and his foot was pierced by a sharpened stick.

'I am a great believer that the interagency process works best when everybody has a chance to say his piece and get his positions out on the table.'

— *Colin L. Powell*

Despite his popularity and military experience, his work may be cut out for him. He lacks Mr. Carlucci's broad experience, and he does not have a long personal relationship with the president, qualities associated with success in the Reagan administration.

Until Mr. Carlucci took over on Jan. 2, the job of national security adviser had been an administration trouble spot. Mr. Reagan's fourth national security adviser, Vice Admiral John M. Poindexter, was a principal in the covert effort to sell U.S. arms to Iran in exchange for the return of American hostages in Lebanon.

As military aide to Mr. Weinberger, who opposed the arms deal, General Powell was one of five men in the Pentagon who knew that arms were being transferred to the Central Intelligence Agency to be sent to Iran. A House Armed Services Committee report said he sent a memo to the White House asking about the legal requirement to notify Congress of the arms transfer but heard nothing back from Admiral Poindexter.

As deputy director of the National Security Council, General Powell headed an interagency committee that responded to criticisms of covert activity and secrecy on the part of security council staff members by giving officials at the Pentagon, State Department and CIA greater opportunity to make their views known.

"Like Frank, I am a great believer that the interagency process works best when everybody has a chance to say his piece and get his positions out on the table," General Powell said in an interview in March. "When we forward the final decision package to the president or present it to him orally, everybody who played knows he has been properly represented and had his day in court."

Pentagon officials said the general had the confidence of Mr. Weinberger and the Joint Chiefs of Staff, which gave him a major role in military operations, including the 1986 raid on Libya. In the White House he joined Mr. Carlucci in advocating a strong U.S. role in the Gulf.

In a television interview in June, General Powell defended U.S. actions in the Gulf as necessary to protect freedom of navigation and to deny the Soviet Union "any greater influence in the region."

White House officials said that at Mr. Carlucci's urging General Powell had briefed the president more frequently than past deputy national security advisers, giving him what an aide called "a flying start" at establishing a relationship with Mr. Reagan.

The officials predicted that the departure of Mr. Weinberger would ease friction in high-level councils of the administration and make the national security adviser's job less difficult.

South Africa Releases Former National Leader Of Banned Rebel Group

By William Claiborne
Washington Post Service

PORT ELIZABETH, South Africa — Govan Mbeki, a former president of the outlawed African National Congress, was released from prison Thursday after serving 23 years of a life sentence for treason.

Mr. Mbeki's release raised expectations among black militants that the South African authorities might eventually free Nelson Mandela and Walter Sisulu, two other ANC leaders who are serving life sentences on the same charges as Mr. Mbeki.

Mr. Mbeki, 77, said that he had accepted no conditions for his release and that he intended to "continue the struggle for freedom for all South Africans."

However, an official of the state Bureau for Information, who sought to control coverage of Mr. Mbeki's release, said that under South African security laws Mr. Mbeki could not be quoted in the future because of his stated commitment to the Communist Party of South Africa, which is a banned organization.

The information official, Casper Fenter, said Mr. Mbeki's remarks were "a one time thing only, a special dispensation from the minister of justice."

Mr. Mbeki was flown by helicopter from Robben Island Prison off Cape Town to the nearby Pollsmore Prison, where he met for more than an hour with Mr. Mandela.

Mr. Mandela is regarded by many of South Africa's 23 million blacks as the country's potential leader when and if white minority rule eventually collapses.

From Pollsmore, Mr. Mbeki was flown to Port Elizabeth in Cape Province, where he met with the press at a hotel.

Mr. Mbeki was arrested in Port Elizabeth, and he insisted that it was where he should be released despite government attempts to place him in the ostensibly independent tribal "homeland" of Transkei.

"I have not renounced violence," he said. "I'm still a member of the ANC. The ideals for which I went to jail, and for which the ANC still stands, I still embrace."

In an interview later, Mr. Mbeki said he believed that Mr. Mandela's release was inevitable.

Mr. Mbeki said that he planned to apply for travel documents to visit a son, Thabo, who is the ANC's chief information official at the group's headquarters in Lusaka, Zambia.

On Aug. 13, Mr. Botha gave momentum to speculation about Mr. Mandela's release when he said he had asked Justice Minister H.J. Coetsee to look into the possible release of Mr. Mbeki on humanitarian grounds.

There has been speculation that after Mr. Mbeki's release, the government will assess the reaction of blacks in South Africa and then consider releasing Mr. Sisulu.

Mr. Sisulu, 75, is a former secretary-general of the ANC who was convicted of treason and sentenced to life imprisonment with Mr. Mbeki and Mr. Mandela following their arrest in 1963 at a farm in Rivonia, in the Transvaal.

The farm was alleged to have been the headquarters of the military wing of the ANC.

Mr. Mbeki is not one of the best-known of the convicted leaders of the organization, even though his titular position in the 1950s was above that of Mr. Mandela, who never rose above the title of the organization's leader in Transvaal Province.

The son of a tribal chief, Mr. Mbeki obtained a degree in 1937 from Fort Hare University, which then was a breeding ground for black nationalism.

In Port Elizabeth, Mr. Mbeki became deeply involved in ANC activities before the organization was officially banned by the South African government. In 1955, he was the leader for the eastern Cape Province, and the next year was elected national chairman.

But it was not until after the bloody confrontation in Sharpeville in 1960, after which Mr. Mbeki spent five months in detention, that he joined the South African Communist Party and became a major target of the security forces.

BUDGET: *A Clash Over Priorities*

(Continued from Page 1)

ators are Howard H. Baker Jr., the White House chief of staff; Treasury Secretary James A. Baker 3d, and James C. Miller 3d, director of the Office of Management and Budget. Their basic program has been the president's proposed budget for the 1988 fiscal year, a plan that got only 27 Republican votes in the House.

The administration has resisted tax increases and demanded deep spending reductions in domestic programs while protecting the military budget. It wants each dollar of tax increases to be matched by a dollar of nonmilitary spending cuts.

The Democrats have been stubborn, too. They are still pushing for a larger tax increase, around $12 billion, and much smaller cuts in domestic spending.

Domestic programs in areas ranging from education to law enforcement already have been reduced more than any other area of the budget. Democrats want cuts in the military budget, although they have appeared to be willing to compromise on that issue.

"It is still a conflict of priorities," said Representative Tony Coelho of California, the Democratic whip. "That is where the conflict was and that is where it still is." He added, "The president wants to aggressively pursue priorities that are wrong."

Representative Trent Lott of Mississippi, the House Republican whip, retorted: "They still are not coming up with any real spending cuts and they want more taxes than people are ready to go with. It's the same old Democratic package."

These conflicting positions are not held only by the negotiators. They are reflected in party positions of Democrats and Republicans. Thus, even if the negotiators reach an agreement, the compromise would still face uncertain prospects in the House and the Senate.

One Republican, Representative Bill Frenzel of Minnesota, said that if the budget negotiators "come out with anything less than $23 billion in spending cuts, it might as well not have met."

It is this continuing conflict over priorities that has given the budget talks their grim tone in the last several days.

It also is why both Democrats and Republicans are beginning to prepare politically for the possibility of a deadlock. Both sides want to be ready to blame the other.

DEFENSE: *Challenge Looms*

(Continued from Page 1)

face: the Persian Gulf and arms control," Mr. Aspin said. "The final judgment on the next defense secretary is likely to rest with his conduct on those issues."

While the two issues may receive more attention than any other actions of his tenure, the most serious problem facing the Pentagon will be figuring out how to pare down a modernization program that was created in a time of generous budgets but that must be carried out in an era of zero budget growth.

In many cases, the Defense Department is likely to be forced to decide between dropping programs completely or reducing the number of programs and weapons in the budget and stretching out the time it will take to put them into service.

And, although it is an issue Mr. Carlucci may be able to ignore, the Pentagon is getting the first hints that its much-praised efforts to improve the quality of the armed forces also faces hard times. The pool of eligible young males is dwindling, and some officials say a major realigning of jobs open to women will be required.

IRAN: *Arabs Discuss New Alliance*

(Continued from Page 1)

not attend the meeting, but would send the crown prince instead. No explanation was given.

But the convening of this conference at a time of great division in the Arab world has created the potential for an Arab world majority, led by Iraq and the larger Arab Gulf states, to return Cairo to the Arab fold as a signal of Arab resolve against the expansion of Iran's revolutionary objectives in the region.

Some Arab and Western officials said the growing violence in the Gulf, where U.S. and Western navies have deployed dozens of warships to protect international shipping, and the high stakes for both Mr. Assad and Mr. Hussein will charge the typically staid atmosphere of the meeting hall in Jordan's capital.

In the competition for dominance at the meeting between the Syrian and Iraqi rivals, a number of Egyptian and Western officials in Cairo said this week that Egypt's strategic potential as a guarantor of Arab security could become its most important sideshow.

Egypt has been a key arms supplier to Iraq, selling more than $2 billion in tanks, other weaponry, munitions and spare parts since 1981 and sending tens of thousands of Egyptian workers and military "volunteers" to aid Iraq's war effort.

But the Arab Gulf states had depended on their own regional defense pact under the Gulf Cooperation Council for defensive military planning.

As the Gulf War has grown more threatening, however, the council has been paralyzed by divisions among its members — Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates and Oman — over how to deal with Iran.

In return for assuming a strategic role in the defense of Iraq's supporters along the Arab side of the Gulf, Egypt is seeking economic investment and assistance, including the possible refinancing of its $4.5 billion military debt to the United States, by Arab Gulf governments.

And as the Arab leaders gather in Amman this weekend, several Arab ambassadors to Cairo have conveyed their governments' intentions to endorse a resolution that would either bring Egypt back into the Arab fold by a vote of the summit meeting, or win recognition for two-way restoration of relations after the meeting.

BRUTAL: *British Army Criticized*

(Continued from Page 1)

recruits to perform anal intercourse in public.

Two men from the regiment, which was founded in 1689, already are in prison. The four sentenced Thursday were accused of assault on James Guthrie, a 20-year-old private. He testified that his initiation consisted of being burned on the testicles, sexually assaulted with a broomstick, forced to march in place with string tied to his testicles and ankles and dropped 20 feet (six meters) from a barracks window.

An army spokesman said a battalion commanding officer and the regimental sergeant major of the Borderers have been relieved of their positions, even though they were not involved in the offenses. The removals were intended to show that leaders are responsible for knowing what is going on with their troops, the spokesman said.

Michael Yardley, a former officer and author of a history of Sandhurst, the British military academy, said the "sexuality of domination and humiliation" frequently figures in the attacks. He linked it to the army's tradition of "breaking down" recruits to make them feel part of the group and its cultivation of a super-masculine image through its recruiting advertising.

A number of former soldiers have come forward to identify themselves as victims of violence. Andrew Day, 26, is pressing a claim for injuries he said he received in 1979 and 1980.

"On my first day in Germany," he said, "I was punched in the mouth and from that day until actually coming out, I was subjected to various acts of brutality from being kicked in the testicles to finally being hit with a sledgehammer."

"It ruined my army career," he said. "There's a code of silence within the army and you don't break that no matter what." Mr. Day said he was released with a $4,000 payment for "psychoneurotic" disability even though he maintains he suffered permanent physical injuries.

The army does not comment on individual allegations, but spokesmen point out the difficulty of distinguishing legitimate complaints from those involving emotional disturbance or inability to meet the normal stress of rigorous training.

"Some are just unsuited to army life," said a spokesman, noting that one quarter of the 16- and 17-year-old recruits drop out.

Military authorities also cite the replacement of old style 30-man barracks with new four-man dormitories as a factor in the increase in violence. The new arrangement has brought a decrease in supervision and in peer-group control of violence.

AFGHAN: *Soviet Distress Grows*

(Continued from Page 1)

dead. Western analysts offer estimates that range from 15,000 to 30,000 dead since 1979.

The article in the literary weekly recommended a monument in Moscow to commemorate the Soviet soldiers who died performing their "internationalist duty," a phrase associated with service in Afghanistan.

There is no active anti-war movement in the Soviet Union. But, according to Soviet sources, an official but unpublished opinion survey taken in June among about 1,000 Moscow residents showed that negative attitudes toward the war are fairly strong.

As expected in a society where many think the safest answer on any subject is what Pravda, the party daily, says about it, a majority voiced approval of Soviet intervention, on the ground that national interests were threatened.

One person in six, however, took the opposite view, saying that the use of Soviet troops was wrong and unjustifiable by any internal developments in Afghanistan.

Significantly, according to sources familiar with the survey, half of those questioned said they knew other people who thought that Soviet forces should not have intervened in Afghanistan. Only a third said they would approve if a relative was sent to fight there.

In public, there appears to be growing restlessness about the purpose of the war and the callous way many veterans are being treated by the bureaucracy.

The parents of young men who are required to serve two years in the army, with a possible tour in Afghanistan, show the greatest concern about the war. On the street, there is talk of danger, death and possible addiction to hashish.

The official callousness extends to the dead. The markers on the graves of soldiers killed in action often give no indication of where they died. Parents of those killed have even been told that there is no reason to publish an obituary in local newspapers.

A.N. Shevchenko, the father of a soldier killed in Afghanistan, said that thousands of townspeople attended the funeral of his son, who was buried with military honors, yet the authorities rejected his request for an obituary.

"Writing in our newspaper about fallen soldiers such as your son just isn't done," Mr. Shevchenko quoted a Communist Party official in Kovel, a city in the western Ukraine, as saying. "Your son isn't the first one to be killed. What are we supposed to do, write in the newspaper about every one?"

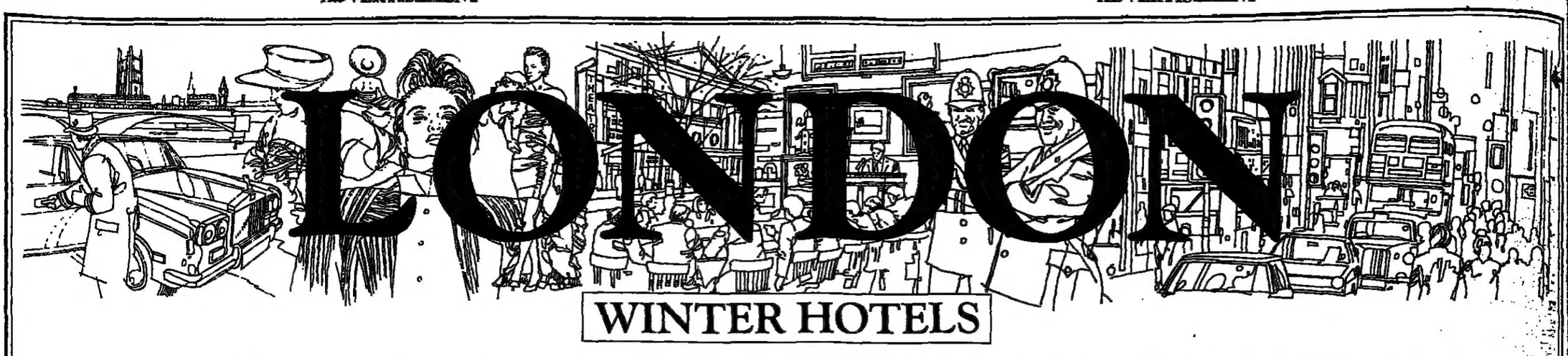
Mr. Shevchenko, complaining about the incident in a letter to Pravda, said: "One might think he had been killed in a drunken brawl. What are we ashamed of?"

A similar complaint was registered by Lyubov S. Yarovaya, of Volgograd, who suggested that the gravestones of soldiers killed in Afghanistan be inscribed with that fact.

DEATH NOTICE

SHARON RHODE DJOUHRI

of Holden Beach, North Carolina and Paris, died on November 3rd in Paris. A funeral service will be held at Eglise St. Joseph, 50 Avenue Hoche, 75008 Paris, at 11 a.m. on November 6th.



WINTER HOTELS

Laying Plans for the Festive Season

It's not only turkeys who look towards the coming festive season with trepidation. For many of us, Christmas comes too soon after Thanksgiving, and the prospect of spending both holidays cooped up with feuding families just doesn't jingle our bells. There's one solution to the problem, however, and that is to avoid it. The Great Escape to far flung places is already gathering momentum. For many festive fugitives, London tops the list. So come to shop – it's far more exciting than the local Mall or department store. And come to stay – many top hotels are celebrating Christmas with knock-down rates.

The Mayfair, for example, cuts the cost of a double room from £126.50 a night to £90.85 from December 20th until January 4th next year. Part of the giant Inter-Continental Corporation, The May Fair celebrated its Diamond Jubilee earlier this year – it was opened in March 1927 by King George V. It's a very traditional and elegant hotel and offers all the comforts and services you would expect in a luxury 5 star establishment, whilst still magically managing to maintain a very personal and informal atmosphere. It's ideally located for shop-aholics, too.

On Christmas Day, chef Michael Coaker will be cooking a special gourmet luncheon in Le Chateau Restaurant, and on New Year's Eve there's a seven course gala dinner with champagne, music and entertainment until the early hours.

For those who prefer to stay away from the bustling city center, there's a whole host of alternatives. Chief among them is *The Halcyon*, the most exciting hotel to open in London this year. It's small – there are just 44 rooms – and it's located in a splendid Belle Epoque mansion in Holland Park. The Halcyon has been beautifully decorated in the style of an elegant private home, the walls are covered with a stunning array of original paintings and prints, and 33 of the bedrooms are, in fact, suites. Emphasis at the hotel is on style and first class service, and a surprisingly young staff of 66 provide a 24 hour room service, overnight shoe shining and one hour pressing – even on Christmas Day. In the Kingfisher Restaurant, a pretty trellissed room overlooking a patio where guests eat out in summer, chef James Robins plans a special Christmas menu in which he hopes to combine traditional favorites with some of his more innovative ideas.

There's a growing trend in London towards smaller, more intimate hotels. The 29-room *Dorset Square Hotel*, in two tall Georgian houses just north of Madame Tussauds, is now almost two years old, and has been so successful that in October its owners, Tim and Kit Kemp, opened an annexe in the square. No. 25 Dorset Square houses 12 stunning suites, decorated by Kit Kemp in traditional English style, with lots of flowered chinzes and antiques. They represent excellent value. On the first floor, for instance, there is a stunning 2 bedroom apartment, with a drawing room overlooking the square, at just £175 a day. Over Christmas – Christmas Eve, Christmas Day and Boxing Day – the hotel is offering special rates at £125 a night for two people in a double room, to include breakfast and either lunch or dinner with a bottle of champagne in the charming Country Manners Restaurant.

London Lodge Hotel is another name to note. It's not quite as grand as the Dorset Square, but it's extremely comfortable and all the 27 rooms have warm duvets, direct dial telephones and televisions, whilst the executive rooms also have videos, jacuzzis and wall safes. Located in Lexham Gardens, just off Cromwell Road and a short taxi ride away from Harrods, London Lodge has been owned by the Humphreys family for 22 years. In December 1985 they closed it, rebuilt it from top to bottom, and re-opened almost exactly a year ago – 'on November 5th, Guy Fawkes Day. It went with a bang,' jokes managing director, Justin Humphreys. Since then, the hotel has been busy and 40% of their business is return business which, as Mr. Humphreys says, 'means people are happy and that's encouraging.' There will be decorations and a Christmas tree at the London Lodge next month, but no special Christmas festivities.

Another small, informal hotel is *The Diplomat* in Chesham Street, part of the privately-owned group of centrally located bed and breakfasts that includes *Number Eight* in South Kensington, *The Willett* in Chelsea and *The Executive* in Belgravia. The 30 room Diplomat is the newest – it was bought in March this year and a thorough renovation programme has just been completed. According to the hotel's owner, the aim of the group is 'to provide three star facilities such as hairdriers, color TVs, direct dial telephones and complimentary newspapers at competitive prices.' And £48.88 a night at The Diplomat includes a substantial breakfast in the room. The Executive, which opened a year ago, also has 30 comfortable bedrooms. It's slightly cheaper, at just £47.73 a night, and includes an enormous cooked buffet breakfast which is served in the attractive dining room. There will be no special rates for Christmas. At those prices, who needs them?

No. 9 Charles Street is an excellent alternative for those who prefer the independence of catering entirely for themselves. In fact, owners Richard Britten-Long and Simon Johnson, bought the building only recently and are in the middle of refurbishing it from top to bottom. But there are still 7 apartments available for long or short lets, ranging from comfortable studios to the 3 bedroom Penthouse. Prices start at £450 a week and go up to about £900 – shared between four people, this works out at the bargain price of just over £32 a day. And Britten-Long and Johnson are adding to their stable. On 27th September, they took over *10 Lees Place*, also in the center of Mayfair.

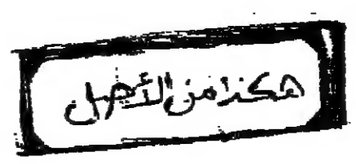
In spite of the increasing popularity of small, informal hotels, many of the big international names still attract a loyal clientele. Take the *Sheraton Park Tower*, a stunning circular hotel in the center of Knightsbridge. There are 290 rooms, all beautifully decorated in classical English style by top interior designer, Murray Oliver. Christmas at the hotel begins on December 11th, when the room rate drops from £155.30 and £172.50 for a single and double room respectively, to just £89.70, subject to availability. On Christmas Day there will be a traditional lunch in The Restaurant, and on New Year's Eve a sumptuous 5 course gourmet dinner at £75 a person, including half a bottle of champagne, a midnight piper and a jazz band till 3 am. There will be a special room rate of £46, again subject to availability, for revellers who wish to stay the night.

The St. James Court is part of the Taj group, who own the fabulous Taj Mahal hotel in Bombay. They acquired the property in Victoria in 1983, and restored it completely, creating a beautiful flower filled courtyard, 391 well-furnished bedrooms and 92 short let apartments. Rightly, the hotel reckons that Christmas is a time for giving and suggests that one of the best presents is a three day break at 'our majestic winter palace . . . just a snowball's throw from The Palace itself'. Their special festive programme starts with a cocktail party at 7.30pm on Christmas Eve and continues until after breakfast on Sunday. For children, there are games and videos, and Father Christmas will be visiting the hotel with a sackful of presents on Christmas Day. Everything is included in the price – £276.50 per person sharing a twin or double bedded room – except drinks.

Of course, many visitors may prefer to spend Christmas in the heart of the English countryside. *The Royal Berkshire* is a new hotel – it opened in April 1986 – and it's located just outside Ascot. For 100 years, this splendid Queen Anne mansion was the home of the Churchill family, and today it boasts 15 acres of gardens and woodlands, an indoor swimming pool, sauna and squash complex as well as 65 beautifully decorated bedrooms. Over Christmas, there is a delightful programme of specially organised events, starting with afternoon tea at 3.30pm on Christmas Eve and continuing until after lunch on 27th December. The three day programme costs from £100 per person a day, and includes a candlelit dinner before Midnight mass on Christmas Eve, Christmas lunch and an exciting Treasure Trail on Boxing Day. It sounds fun!

The Prince and Princess of Wales, The Princess Royal and Prince and Princess Michael of Kent all have homes in Gloucestershire, so it's not surprising that Christmas visitors to *The Close Hotel* in the Gloucestershire village of Tetbury will receive a royal welcome. For the last year, this charming 16th century Cotswold mansion has been managed by David Broadhead, who is currently redecorating and renovating the house, paying enormous attention to detail and putting the emphasis firmly on traditional country house style. Mr. Broadhead is offering a splendid three day Christmas break, which starts at teatime on Christmas Eve and continues until after breakfast on December 27th. The price, £275 a person, and it includes all meals and mulled wine after midnight mass, although other drinks are extra. Guests will have the opportunity to follow the famous Beaufort Hunt on their traditional Boxing Day meet, visit Sir Peter Scott's Wildfowl Trust at Slimbridge or explore the picturesque town of Tetbury.

Caroline Hunter



International Herald Tribune

TRAVEL

- *The Wildlife of Spain*
- *Old and New Budapest*
- *800 Kinds of Cuff Links*

TRAVELER'S CHOICE

Danes in Duty-Free Price War

■ A $20 million renovation of the duty-free area at Kastrup Airport in Copenhagen has been completed and the prices on many items have been cut in an effort to rival Schiphol Airport in Amsterdam as a shopping center. The area has been transformed into a walkway lined with trees and 20 shops, each selling a Scandinavian specialty. These include Birger Christensen furs, Royal Copenhagen Porcelain, Georg Jensen silver, Bang & Olufsen stereo equipment and Lego toys. The design was inspired by the pedestrian shopping street in Copenhagen known as Stroeget.

Profitable Mermaid

■ Copenhagen's Little Mermaid, who has gazed wistfully over the Danish capital's harbor for nearly 75 years, has become a major money-spinner visited by over half a million tourists a year. The seated bronze statue, Copenhagen's best-known monument, is now a source of regular income for 13 descendants of its creator, the sculptor Edvard Eriksen (1876-1959). The annual turnover in sales of souvenirs including postcards, ashtrays, replicas, bottle-openers, porcelain models and T-shirts is more than five million Danish crowns ($750,000). An estimated 100,000 bronze models of the Little Mermaid sell for more than two million crowns in Copenhagen tourist shops every year. The mermaid is owned by the city council, but three generations of Eriksens receive about five to 10 per cent of the revenue, according to Egon Eriksen, one of the sculptor's four sons and administrator of the family trust. "The family first got into the business of manufacturing replicas of the statue exactly 50 years ago, encouraged by requests from friends," said Eriksen. "At the time we never imagined in our wildest dreams that the Little Mermaid would become an internationally recognized symbol of Copenhagen, as the Eiffel Tower is for Paris and the Statue of Liberty for New York." Inspiration for the statue came from a ballet based on a fairy tale written in 1837 by Hans Christian Andersen. The model was Eriksen's wife, Eline, at that time the 29-year-old mother of Egon.

European Rail Projects

■ Several new railway projects have been announced in European countries. In Switzerland, Geneva's Cointrin Airport and the city's main railway station, Gare Cornavin, have been linked for the first time by rail, making it possible for a total of 102 trains a day to make the run. In addition, improvements on the Cointrin-Lausanne line have reduced travel time from 75 to 50 minutes, and from three and a half to three hours on the line to Zurich. The Italian State Railways has inaugurated experimental high-speed runs between Rome and Milan. The nonstop trains make the 393-mile (638-kilometer) trip in 4 hours and 55 minutes, about an hour less than standard runs. If successful, the service will be made permanent in June. Also, more trains have been scheduled between Rome and Florence, Ancona, Perugia, Bologna, Verona, Milan and Venice. And construction is under way on the system's Direttissima line, which will shorten the distance trains travel between Rome and Florence by about 30 miles (50 kilometers); work is expected to be completed in 1989. Between 1989 and 1993, Sweden will be improving its four major lines to reduce the travel time between Stockholm, Göteborg, Malmö and Sundsvall. The line for the French National Railroads' high-speed link from Paris to Brittany and Bordeaux is under construction, with the first trains scheduled to roll in 1989. In West Germany, a prototype of the Intercity Express train recently tested at 215 miles an hour. Inauguration of new high-speed lines is scheduled for 1991.

Sightseeing Cruises by Blimp

■ Airship Industries of London, which earns most of its money by draping advertising on blimps floating over London, Munich, San Francisco, Sydney, Melbourne, New York and other cities, is now taking passengers. The company introduced its sky cruise to London and Sydney last year and this year began service in San Francisco and Melbourne. Flights over London are limited to summer, but the blimps in Australia and San Francisco operate year round. The company plans to begin sightseeing trips over New York in the spring, said Dana Kahn, a vice president. In a few years, she said, the company hopes to offer lazy commuter flights — top speed 65 miles an hour — between London and Paris and between New York and Boston. Present tours last about an hour and cost about $150; up to 10 passengers can be carried at a time.

Phone Service for Rio Visitors

■ The Rio de Janeiro Tourism Office has set up a phone service for visitors offering tips in English, Spanish and other languages. Visitors to Rio calling 242-8000 can get the hours for museums, church services and stores and get help finding hotels and restaurants. More extensive aid is available at Rua da Asambleia 10, Eighth Floor, Room 814.

New Air Terminal for Bangkok

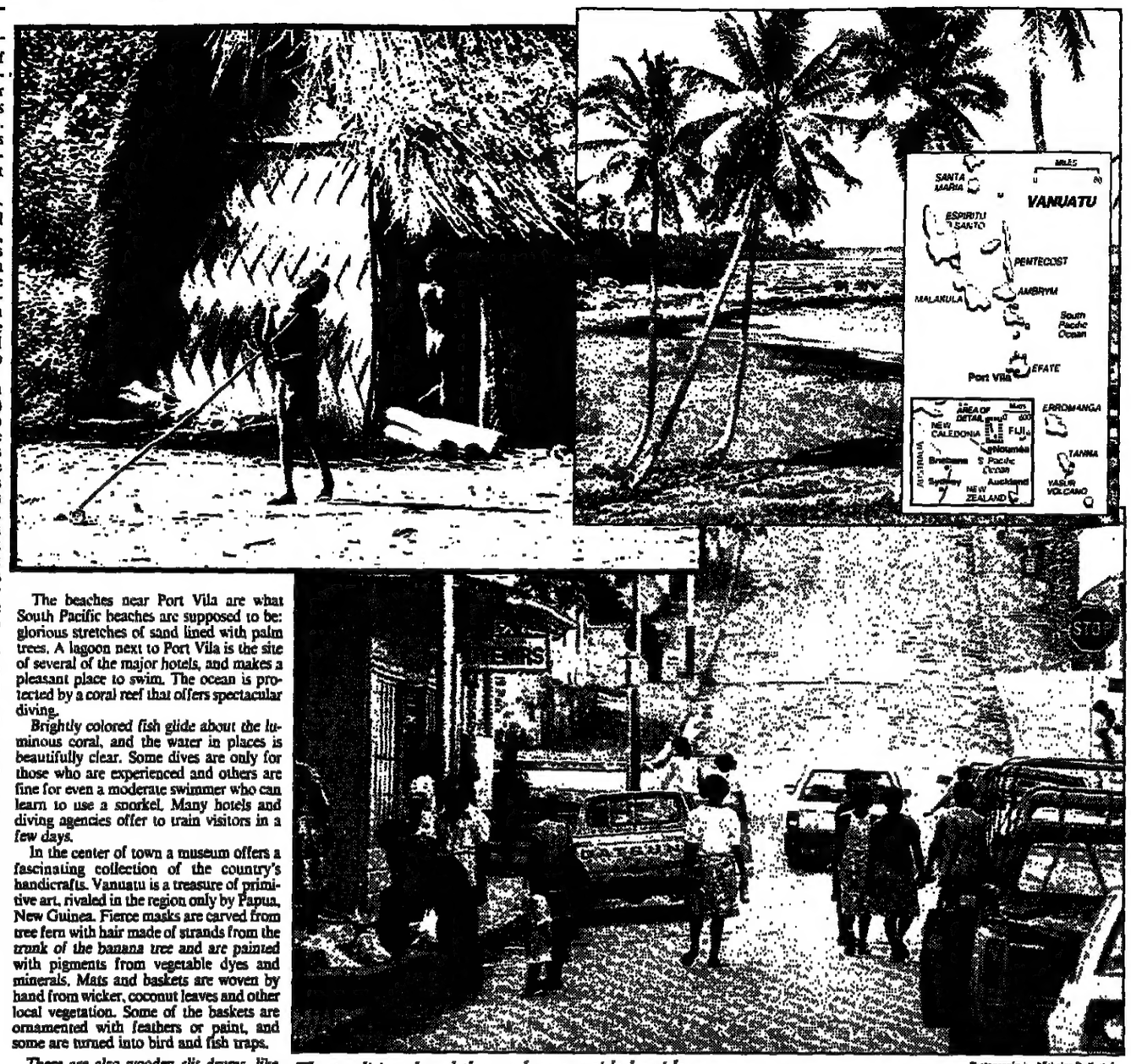
■ A new international departure terminal opened this month at the Bangkok International Airport able to accommodate 4,000 passengers an hour. The new terminal connects to the existing Airport Hotel and a recently opened domestic terminal. The new structures are part of an eight-year, $200-million program to develop the airport, about 10 miles from the city. A new arrival section opened in May. Next year the project ends with the installation of 26 corridors allowing passengers to walk directly between the terminal and their plane.

'Nabucco' in Jerusalem

■ Verdi's "Nabucco," an opera whose libretto is based on the second book of Kings in the Old Testament, will be performed May 15 to 29 outside the walls of Jerusalem as part of Israel's 40th anniversary celebration. The $11.5-million production, which chronicles part of the Jewish people's struggle for freedom, will be directed by Vittorio Rossi, who has staged many large-scale productions at the Verona Arena and elsewhere. Michel Plasson will conduct the Royal Philharmonic Orchestra at the 7,000-seat Sultan's Pool amphitheater. Alternating in the title role will be Piero Cappuccilli, Renato Bruson, Ingvar Wixell, Antonio Salvadori and Garbis Boyagian.

Talking to the Gods in South Pacific

by Nicholas D. Kristof



The traditional and the modern are side by side.

Photographs by Nicholas D. Kristof

THE South Pacific archipelago of Vanuatu is charmingly schizophrenic: Some people wear gowns or three-piece suits, others wear only grass skirts or grass sheaths. Some carry gold cigarette lighters, others carry smoldering sticks. Some drink Bordeaux, others drink kava, a local intoxicant with less cachet but more effect.

A joint British and French colonial legacy has mingled perfectly with the local cultures in the group of some 80 islands, which were known as the New Hebrides until independence in 1980. The French have supplied the cuisine; the English have supplied a unifying language; the local culture has supplied a hospitality that is often breathtaking. Of the 70-odd countries I've visited on six continents, there is none I have found so enthralling, none I am so eager to return to.

On the island of Pentecost, tribesmen leap head first from 90-foot (27.5-meter) wooden towers. A long vine tethered to their ankles stops them just above the ground, so that their hair grazes the earth as they are yanked to a stop. The local people believe this fertilizes the ground. Festivals are frequent, especially circumcision rites that occur most often from June to August. And throughout the islands, the men in each village retire each evening to a spot under an enormous banyan tree and drink kava, which in sufficient quantities leaves you unable to walk (but undisturbed by that state of affairs). Visitors are welcome at festivals and men only are welcome to kava ceremonies.

Vanuatu has not had a happy history since whites began to show up in the 17th century. Some were missionaries, some were military men, some were involved in the flourishing business of exporting laborers to Australia. The intruders killed islanders outright, and indirectly by bringing disease. The islanders reciprocated by eating some of the visitors. According to an account by an islander of a feast in 1873: "We ate these men and sent pieces to all the many villages. The whites tasted sickly."

In 1906 Britain and France set up a joint government known as the condominium (or to critics as pandemonium). The colonial legacy embittered many people of Vanuatu and left a bitter taste that found expression in the nation's poetry. Albert Leomala, one of the nation's angry poets, wrote some 10 years ago:

whiteman go home
i am tired of seeing your face
i am tired of listening to your voice
go home
go home white skin

Yet such bitterness, while perhaps felt in the policy of political nonalignment followed by Vanuatu since independence in 1980, was never very common and is in fact the opposite of the warmth that a white visitor usually encounters. Vanuatu's diplomatic relations with Libya and the Soviet Union may worry Western policy-makers, but there is no doubt the people of Vanuatu are firmly within the Australian, European and American sphere of influence.

VANUATU'S capital is Port Vila, a cozy town of 15,000 that could hardly be more relaxed. The prime minister, for example, was barefoot for an interview. Yet Port Vila is far more cosmopolitan than its size would suggest. Several hundred foreigners, mostly French, live in the capital, and there are good bookshops, restaurants and hotels. English is widely spoken, along with the national language, a colorful pidgin English that is just about incomprehensible when spoken but can often be deciphered when written. The first line of the poem quoted above, for example, was written in pidgin as: "waet man u ko home."

The beaches near Port Vila are what South Pacific beaches are supposed to be: glorious stretches of sand lined with palm trees. A lagoon next to Port Vila is the site of several of the major hotels, and makes a pleasant place to swim. The ocean is protected by a coral reef that offers spectacular diving.

Brightly colored fish glide about the luminous coral, and the water in places is beautifully clear. Some dives are only for those who are experienced and others are fine for even a moderate swimmer who can learn to use a snorkel. Many hotels and diving agencies offer to train visitors in a few days.

In the center of town a museum offers a fascinating collection of the country's handicrafts. Vanuatu is a treasure of primitive art, rivaled in the region only by Papua, New Guinea. Fierce masks are carved from tree fern with hair made of strands from the trunk of the banana tree and are painted with pigments from vegetable dyes and minerals. Mats and baskets are woven by hand from wicker, coconut leaves and other local vegetation. Some of the baskets are ornamented with feathers or paint, and some are turned into bird and fish traps.

There are also wooden slit drums, like hollow totem poles with a long slit that creates a type of drum. Finally there are spectacular headdresses, often five feet high or more, that are used in secret rituals and ceremonies. These are brightly painted and often spout arms and feathers going in many directions, but they are difficult to obtain because of their fragility and the taboos associated with them.

Most of the crafts come from the islands of Malekula and Ambrym, but perhaps the best place to buy is Handikraf Blong Vanuatu, the artists' cooperative in Port Vila next to the museum. The staffs of both the museum and the cooperative are helpful and are happy to discuss the various crafts.

THE glory of Vanuatu, however, is not the capital but the remote islands. There are 82 islands, many with reasonably priced air connections from Port Vila. My journey took me to Tanna, in the far south of the archipelago.

A small propeller plane deposits passengers on a grass field on Tanna. There are two sets of bungalows where tourists can stay. One is owned by Tom Numake, a chief who is renowned and perhaps even a little feared throughout the island. The other is owned by Ray Saunders, a young Australian. Numake is a fascinating man, an engaging and loquacious politician who knows Tanna inside out. The grandson of a witch doctor, Numake is rumored to have such powers himself.

The great sight on Tanna is Yasur volcano, one of the few places in the world where you can get a dentist's view of the mouth of a live volcano. A 75-year-old account still conveys the scene:

"At noon we reached the edge of the crater. Just as we got there, there was a tremendous explosion, and away we ran, guides and all. When we recovered our courage, we crept up to the edge, and looked down nearly half a mile into what looked like hell. Out of the bowels of the earth were thrown huge boulders, which spent their force and fell back with hideous reverberations into the pit whence they came; and away at the bottom were two boiling lakes of lava, and when an explosion came, the lava would be thrown spattering against the encrusted crater sides, nearly to the top, and then run in thousands of rivers of liquid fire back to the bottom." (Martin Johnson, "Through the South Seas With Jack London.")

A hurricane in February knocked out some of the roads, and now only a four-wheel drive vehicle can take you to Yasur. A guide, probably Numake, since he seems to have a monopoly on four-wheel drive vehicles on Tanna, will take you most of the way up the mountain. From there it is a 15-minute walk to the rim of the crater. Cinders and ash are constantly exploding upward, but they always seem to fall short of the rim. Sulfur gases fill the air, and the noise can be thunderous. It is rather like looking down on an array of Old Faithful geysers, spewing fire instead of water.

Visitors often go to the volcano in the late afternoon, and then wait as it becomes dark. The show is particularly thrilling at night, when the fountains of lava and cinders illuminate the crater, like giant fireworks. It seemed to me that one day the volcano is going to make an extra effort and belch hard enough to engulf watching tourists with lava and ash. Indeed, there are rocks all around the rim that have apparently been thrown out by the volcano during its tantrums. But the guides say they have not lost any tourists yet.

POKING around Tanna's villages is another delight. Yaohnanen, in the center of the island, is interesting because it is a "custom village," meaning it has adhered to traditions instead of following Christianity and more modern ways of life. Men still wear only a narrow grass sheath, while women wear only grass skirts. That, in any case, is what Yaohnanen tells tourists. When I arrived, at least half the people were wearing clothes, although they quickly began to change into traditional garb at my approach. Partly this is opportunism: The village usually charges foreigners for visiting or taking photos. Partly it also seems to be embarrassment at dereliction of duty, being caught with their pants up. The chief of Yaohnanen, Jack Naiva, speaks a bit of English and manages an

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When Fashion Accessories Are Museum Pieces

by Mary Mills

PARIS — In a city obsessed with fashion, it isn't surprising that the French have turned high art into salable accessories. As if the Rue du Faubourg St. Honoré, the *grands magasins* and the hundreds of small shops in every neighborhood weren't enough to satisfy every whim, there are also museum boutiques selling wearable works of art reproduced from their collections.

The Louvre draws on its store of antiquities for well-crafted jewelry — bracelets, brooches, rings, earrings, necklaces and pendants — as well as scarves, shawls, handkerchiefs and decorative trinkets for the dressing table.

From 1700 B.C. Egypt comes the inspiration for an etched pendant, or a pair of earrings, in the shape of an owl with wings spread in a graceful arc around his head. Other pendants symbolize the Egyptian sign of life, the goddess Isis and the Oudjat eye, one of the ancient Egyptians' favorite amulets, believed to protect the wearer from evil.

There's a touch of whimsy in a pendant from the Bronze Age, replicas of which were found in an early settlements in Savoy and parts of Switzerland. A comb forms the "skirt" of an anthropomorphic silhouette with arched arms that resemble the wings of a swan and a ring for the head, which serves as the hanger for a chain.

A charm in the shape of a hand was first crafted in 800-700 B.C. Luristan (western Iran); an elaborate and decorative key dates from the Gallo-Roman epoch; a *tsuba*, the ornate saber handle of Japanese warriors of the 17th century, takes the shape of a heron with outspread wings.

INTRICATE, twisted chains found in a tomb in the Ardennes dated to 300 B.C. and a bangle with facing ram's heads from 400 B.C. Greece inspired bracelets that would be stylish in any millennium. These and about a dozen other bracelet designs are priced from 425 francs to 2,100 francs (about $70 to $350) in gilded bronze; and from 1,050 francs to 2,500 francs in silver.

A chain belt found in a tomb dating to 300-200 B.C. in France near Metz serves as the model for a necklace. Another necklace with three fish — symbols of renewed life and the hope of immortality — suspended from a double chain is patterned after one found in Egypt that dates from 1565-1320 B.C. A twisted choker, representative of European goldsmiths' art of 1200-1100 B.C., looks so modern it could have been created yesterday.

The rings in the boutique collection, too, are based on designs ahead of their time. Motifs popular in ancient civilizations depicted animal heads, serpents, clasped hands, tablets inscribed with hieroglyphics and belt buckles, as well as the classic signet. Two sculpted samples from 200 B.C., excavated from Susa, a city in ancient Elam (in present-day Iran) are forerunners of contemporary Scandinavian design. Prices run from 245 francs to 535 francs in gilded bronze and from 330 francs to 745 francs in silver.

Most of the pieces are also available in gold by special order. For details, inquire at the boutiques or write to Service Bijoux de la Réunion des Musées Nationaux, 10 Rue de l'Abbaye, F-75006 Paris, France; tel: 44-79-65-93.

The Louvre collection of shawls includes one of crêpe de chine in a Coromandel print; another in silk mousseline in a Kashmiri pattern popular in Second Empire France. The design for a floral-patterned scarf was adapted from a print produced in Jouy-de-Josas, an Ile de France town renowned for its textiles in the 18th and early 19th centuries. Colorful cotton handkerchiefs in provincial prints make nice souvenirs for 30 francs.

Above left, comb pendant from Switzerland; above right, Egyptian gold earrings; right, Syrian signet-ring.

Also for sale are large shopping bags, embossed with the Musée du Louvre logo, in cotton or plasticized canvas, and wooden-handled umbrellas printed with the logo on a choice of four background colors.

For the dressing table there is a mirror on a stand in the shape of an Egyptian princess in bronze or handsome containers for rings, earrings or pins in the shape of a carved wooden figure of an Egyptian female swimmer, lying face down with outstretched hands holding a wooden dish; a polished wooden goose standing at the edge of a shallow, hollowed out bowl; and a bronze tortoise whose hinged shell lifts up.

The Louvre boutique collection incorporates reproductions from other museums as well, under the aegis of the Réunion des Musées Nationaux, including the Musée des Antiquités Nationales in St. Germain-en-Laye, the Musée de Cluny, the Musée Guimet, the Musée des Arts Decoratifs, the Musée de la Mode et du Costume, the Musée Condé at Chantilly; and several foreign museums, including the Cairo Museum and the Metropolitan Museum in New York.

A porcelain plate from 18th-century China in the Musée Guimet's collection of Asian art provided the motif for a 90-centimeter-square crêpe de chine scarf covered in exotic butterflies and tiny flowers and printed by the prestigious silk-screen firm J.R. Brochier of Lyon. Another scarf with a kiosk motif is based on an 18th-century design in the museum at the Château de Chantilly

A wristband braided with fragile ropes of silver copies an original design from the Iron Age that can

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TRAVEL

THE FREQUENT TRAVELER

For Adventurous Travel, Ask the Real Wanderers

by Roger Collis

I USED to think of myself as a seasoned traveler, more than willing to share my experience with you. I felt pretty sure of myself until a few weeks ago when I started looking at "adventure travel," a growing trend among mobile business people, not just sandaled backpackers, with a desire to get out of the tourist rut. They are frequent travelers of the new frontier: familiar with places like Gilgit (center of a game reserve in the northern Himalayas: you fly in to Islambad and wait for the Gilgit flight which is dependent on weather, or get a bus from Rawalpindi always assuming the Karakoram Highway is open).

This nugget of information was given me by Rupert Grey, a partner in a London law firm. "I always feels like going to the back of beyond whenever I get the chance," he says. "I managed to get from here to Pakistan and back in two weeks," including a trek up a mountain on the Chinese frontier.

You can travel very excitingly with the right information

"People are looking for excitement. They're either driving too fast or rock climbing, looking for an adrenalin fix. Adventure travel is one way of getting it," says Hilary Bradt, a London-based author and travel guide publisher. "But if you want to do something interesting you've got to learn beforehand. You can travel very excitingly with the right information or very boringly and unpleasantly with the wrong information or none at all.

"For someone who wants to travel off the beaten track there are two options: Do it alone or go with a good adventure travel company. I lead adventure tours for Wilderness Travel in California, to give people the idea they are having an adventure while making sure they really don't. If they do have an adventure on one of these expensive trips, then they are very unhappy."

Says Grey: "If you want to go off to somewhere exotic I think you need to do one of three things: background reading (the best bet is the Travel Bookshop in London); then contact a specialist tour operator or, say, the Expedition Advisory Centre at the London Royal Geographical Society."

According to Gail Randall, marketing manager of Trailfinders, a London-based travel agent specializing in long-haul, low-cost, round-the-world itineraries, popular areas are China, Tibet, islands in Indonesia and Himalayan kingdoms such as Bhutan and Nepal. "Depending on the country we would suggest a tour operator such as Jules Verne, which specializes in China, or Serenissima for Africa, Asia and India. For the independent traveler we run an information center. A typical itinerary is London to Delhi, make your own way to Katmandu, fly to Bangkok and own way to Bali, then Darwin and Sydney and back across the Pacific stopping in Honolulu, Tahiti or Fiji. We even have had people who want to travel down the Congo, the Zaire River, in a dugout."

Few travel agents are likely to have the time, motivation or resources to be of much help. The best advice is to talk to someone who's been there. This is the idea of Odyssey Consultants, founded in August 1986 in London and planning to open an office in Melbourne early next year. Odyssey is run by Alistair McArthur, a former base commander of a British Antarctic Survey Expedition, who has done overland journeys from "Asia to Lapland and Tierra del Fuego to Alaska and Cape Town to the Sahara," and Amanda Pelham Burn, who is familiar with China, Tibet, southeast Asia, Africa and Australasia. Odyssey is not a travel agent; it draws on a network of 30 consultants and charges clients for practical first-hand advice.

"The initial fee is £20 [about $35] — but that's more of a protection measure — then £30 an hour. Some people think we're quite mad, but it seems to be working," says Pelham Burn. "We get a typical cross-section; a 54-year-old man and his son sailing round the world; a 55-year-old couple driving to Bhutan; driving across the Sahara or cycling to Peking; lots of people flying to Asia and then going overland."

The first step in consulting Odyssey is to fill out a "Travel Inventory & Check-list" (21 headings and 294 topics range from vehicle shipment and travel equipment to avoiding tourist routes and sexual harassment; one that intrigues me is "How to survive without money"). "We then do any research that is necessary and arrange to meet for a personal discussion," Pelham Burn says. "If people can't come to London we can do it by post or telephone.

"I would then arrange to meet one or more of our consultants. These include people like Hilary Bradt, an expert for South America and Madagascar, and Rupert Grey, an expert on traveling with young children; Richard Crane, who has cycled all over the world; experts on European ski resorts and a couple who know about driving in the Sahara, where you'll get stuck in the sand and border problems." ■

Some of Budapest's Glamour Is Back

by Thomas Quinn Curtiss

THE bright lights are on again in Budapest, recalling, at least on the surface, something of its prewar beauty and glamour.

Since the 1930s it has been through all the wringers: war, bombardment, civil strife, the Nazi occupation, the coming of the Red Army. In the 1950s and '60s amid its ruins it had the glum, bleak look of a standard Iron Curtain capital.

Today it has flowered into a cosmopolitan metropolis. Traffic is dense. The shop windows glitter with luxuries. Modern hotels have replaced those destroyed by air raids. The cafés are crowded and their clients well clad, though dressing here is in the casual fashion. The leading restaurants offer feasts of native specialties: goulashes, paprika chicken, the native spiced foie gras, fish, tiers of delicious pastry. The Hungarian wines are in harmony with the food and peach brandy may be suggested as a digestive. The foremost temples of haute cuisine are on Castle Hill in Buda. Arany Hordó is situated in a 14th-century palace and Fortuna is in another ancient palace. Both have gypsy music in the evenings. The Alabardos, intimate and with turn-of-the-century decor, is the most popular of all. The Matthias cellar in Pest is another dining spot worthy of attention.

Drama has long been one of Hungary's exports, especially in the between-the-wars years. Erno Vajda achieved the remarkable feat of having four of his plays running simultaneously on Broadway, a record not yet topped by Shakespeare. Hollywood, impressed by this triumph, invited him to write scripts for Pola Negri, Adolphe Menjou and the director, Ernst Lubitsch, who were in need of the sophisticated material at which he excelled. He abandoned playwriting for the movies, but his dialogues brightened many a film.

Ferenc Molnár, author of "Liliom" and "The Swan," sold his plays for filming, but resisted the Hollywood proposals. "They prefer second-raters," he remarked, fitting his monocle to his left eye. "Instead of Max Reinhardt they have Lubitsch and instead of me they have Vajda."

When the Iron Curtain severed Hungary from the West, strict censorship of the stage was introduced. The cherished operettas of Imre Kálmán and Franz Léhar, who had been a bandmaster in the Austrian-Hungarian army and who never forgot the folk melodies he had heard on maneuvers, were forbidden as they were peopled not by factory workers or sons of the soil but by such decadent personages as the Countess Maritza, the Merry Widow and the inevitable peasant maid who solved the class struggle by marriage and emerged as a princess at the evening's end.

After the thwarted 1956 rebellion the ban on waltz dreams and the sight of aristocrats at play was lifted and the old favorites are back on the boards to full houses. So are the drawing-room comedies of champagne sparkle, though the life they depicted is in the distant past. The latter have become classics like the comic masterpieces of the English Restoration.

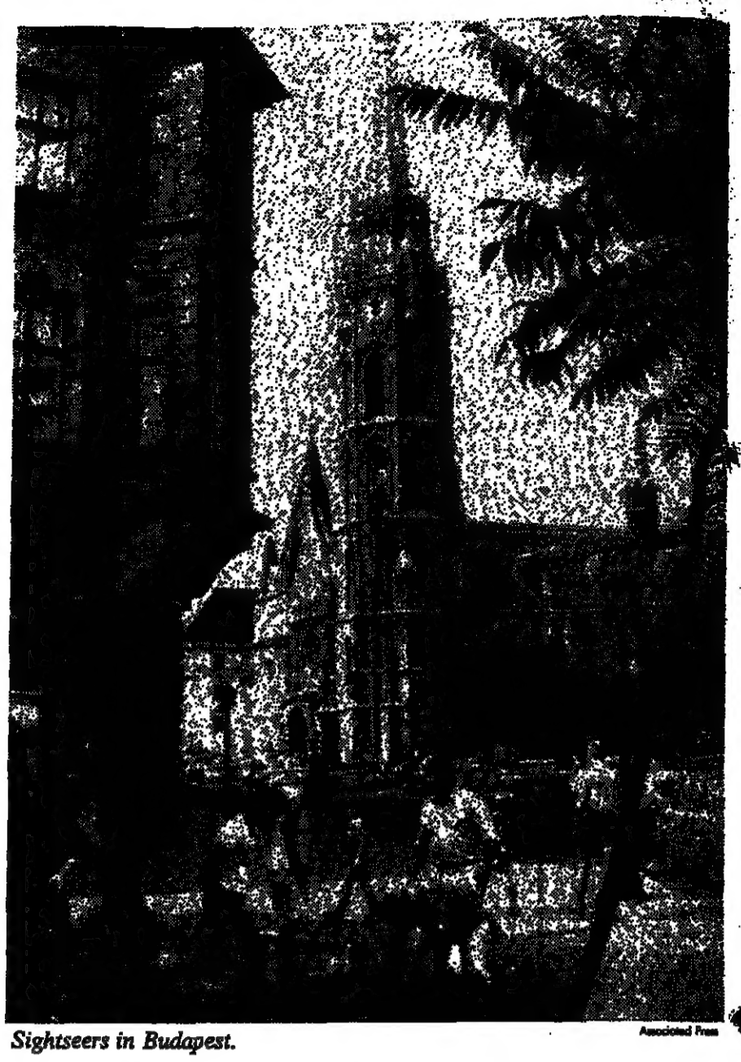
Budapest remains an active theater town with 40 playhouses in operation. Plays from abroad are welcomed in translation. The hits this season include "Cats," "Les Misérables," "Kean" and the native rock opera "Saint Stefan." Among foreign authors represented are Tennessee Williams, Arthur Miller, Strindberg, Alfred Jarry, Jean Anouilh, Jan de Hartog ("The Four Poster"), Eugene Ionesco, Alexei Tolstoi ("Tsar Feodor Ivanovich") — and Shakespeare.

A new generation of Hungarian playwrights has sprung up in the last few years. Of these the Transylvanian Gyorgy Spiro is considered to be the most promising. Beginning as a novelist, he turned to the theater with "The Impostor," set in 19th-century Poland and concerned with a veteran star actor who in his interpretation of Molière's "Tartuffe" shames the tyrannical authorities. Spiro's latest play, "Chicken Head," a study of a tenement boarding-house, has arresting power and a fund of ironic humor.

Literary life in Hungary is far from easy, but this is not new.

VISITING Budapest in 1937 I made the acquaintance of Lajos Hatvany who maintained a salon in his mansion on Buda hill. He was an intimate of André Gide, Gerhart Hauptmann and Thomas Mann and he was in lively correspondence with most of the well-known writers of Europe. Though possessing a large fortune and living the life of a grand seigneur, his political liberalism was stung when the wily Admiral Horthy, a semi-dictator, limited free speech. Hatvany in protest went to Vienna and there published a journal of opposition. It had little effect and he grew homesick. He was informed that if he returned to Hungary he would not be harmed, but on his arrival he was put on trial and sentenced to a year's imprisonment. On his release he took up residence again in his palace. He had to leave again during World War II, as he was of Jewish origin, and he settled in England, at Oxford. After the Communist takeover, his home and fortune were confiscated, but longing brought him back, and he spent his last years until his death in 1961 at his literary labors. His vast correspondence has just been published, edited by Istvan Rozsics, and his house bears a plaque to honor his career.

At the Hatvany's home I met the leading literary lights of the land. Among these was Hungary's foremost humorist, Frigyes Karinthy, who, after having undergone a brain operation, wrote a best seller about his experience, "A Trip Around my Skull," which has appeared in English. His wife, a handsome woman, was a physician. After his death, when the Nazis began deportations, his widow was arrested. In the station awaiting the train to carry the prisoners to their destination she became hysterical and began to cry out that she was the wife of Hungary's greatest writer. The police officers, fearing her behavior would unsettle the other victims, threw gasoline over her and set her on fire. She was burned to death.



Sightseers in Budapest. Associated Press

Erno Szep, another guest at the Hatvany soirée, was a distinguished, cultivated gentleman, author of many plays and novels. In the last year of the war he was arrested by the Gestapo and shipped to a concentration camp. He survived and went on to write of his experiences.

In the 1930s Budapest was a favorite playground of the rich and famous from abroad. Censorship, though firm in political and literary matters, did not extend to night life, with its dazzling cabarets and late hours.

The most sumptuous of the night spots in that day was the Arizona Music Hall.

Madame Arizona, the proprietress, was the Texas Guinan of this cabaret. She was large, dark and occasionally appeared in the spectacle to belt out a Hungarian song that was being violently plugged. Its title was "Every Woman is a Witch."

Madame Arizona is about to be immortalized. She, too, suffered persecution under the Nazis. A film about her life and troubles has been completed with the German actress, Hanna Schygulla. From what has been seen of her on the screen, Schygulla has not the stylish swagger of la Arizona. It being an Italo-Hungarian production, Marcello Mastroianni plays her lover and Pal Sandor has directed. ■

Museum Shops in Paris

Continued from page 9

be seen in the Musée de Cluny. Also from the Cluny collection, from the 14th century, is a polygonal pin engraved with fleurs-de-lis and studded with golden orbs with clasped hands forming two sides.

In addition, all the items shown at the Louvre boutique may be purchased at stores operated by the association of national museums, at Forum des Halles, at 89 avenue Victor Hugo and at the main store of the Galeries Lafayette on Boulevard Haussmann.

The Musée de la Mode et du Costume offers an attractive assortment of designer copies in costume jewelry, handbags, belts, umbrellas, scarves — and even shoes and sunglasses.

Of particular interest are the scarves, among them a modern edition of the classic 1935 Hermès silk-screened *carré* depicting "*Le jeu des omnibus et des dames blanches*" for 850 francs.

Another scarf with droll *haute bourgeoisie* figures sketched in red, white and black, was designed especially for the museum by Marc Bohan of Christian Dior. It sells for 480 francs.

The signed Ungaro squares, printed in bold black or bright pink, paintbrush strokes on a stark white ground, are standouts (731 francs). The Yves Saint Laurent signature is emblazoned on a huge black and white scarf (655 francs). Jean Patou and Balenciaga also lent their names to colorful scarves — Patou in a nautical motif (475 francs) and Balenciaga (700 francs) with bright swashes of the palette on a black ground. Soleiado cotton bandanas are copies of designs from the turn-of-the-century. Nice gifts for 75 francs.

A glass perfume bottle in the shape of a dressmaker's mannequin attached to a neck chain (480 francs) is a copy of the original design for Schiaparelli's perfume Shocking, commissioned by the couturier in 1938. The hourglass figure was based on Mae West.

Two of the boutique's outstanding items are evening bags: Hanae Mori's tasseled drawstring evening bag in black satin, with strips of velvet in a choice of colors edged in black stitched around it (1,900 francs), and Sonia Rykiel's petite shoulder purse in black suede and rhinestones spelling out "Jour de Fête" (950 francs).

There's a matching suede and rhinestone belt (575 francs), paired with Rykiel's striped black and ivory navy-style long-sleeved T-shirt (325 francs). Dior's beautifully crafted leather belt with a small change purse in red or tan attached (1,600 francs) adds a touch of elegance to any tailored ensemble.

Predictably, the musical motif is popular for many of the items for sale at the Opéra's ground floor boutique. Along with the usual souvenir T-shirts, printed with composers' autographs, there are pins, earrings and tie tacks in the shape of violins and music staffs (from 150 to 400 francs) and silk scarves printed with a melodic air in three color combinations (150 francs).

For children, educational sweatshirts and matching pants (100 francs) in several colors teach the scale by means of a French rhyming song depicting the flight of a partridge.

The Louvre gift shop is open from 9:45 A.M. to 5 P.M. daily except Tuesday. The Opéra boutique is open from to 11 A.M. to 5 P.M. daily; until intermission on nights of performance. The Musée de la Mode et du Costume shop is open daily from 10 A.M. to 5:45 P.M. except Monday. Shops run by La Réunion des Musées Nationaux: Forum des Halles, Porte Berger, second level, 10 A.M. to 7 P.M. daily except Sunday; at 89 avenue Victor Hugo 10 A.M. to 7 P.M. daily except Sunday and Monday; Galeries Lafayette, 40 boulevard Haussmann, 9:30 A.M. to 6:30 P.M. daily except Sunday. ■

Pacific

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extraordinary amount of dignity considering his attire. There are many other villages in the area, and there is no problem with simply strolling down the paths until you come across another village. Ask for the chief, and then extend greetings.

One way to meet villagers is to go to a dance. On Friday nights a dance is held at Sulphur Bay, a community near the volcano; on Saturday nights the dance is at Imanaka, a village about two miles from Numake's bungalows. It is also possible for male visitors to be invited to a kava ceremony by dropping by any village in the late afternoon. Kava is a South Pacific plant, piper methysticum, whose root is made into a drink. Late in the afternoon the men and boys from a village retire to a central spot in the village and begin to chew the kava roots. In other parts of Vanuatu, as well as Fiji, Tonga and other island groups, machines or stones are used to prepare the kava. But on Tanna, villagers insist saliva is a crucial part of the process.

Kava looks like dishwater and tastes about the same. It is drunk, all at once, from a coconut shell. Tanna kava is much stronger than the brew on other islands, and three shells leave one giddy and happy but barely able to walk. All the drinkers stop talking and sit silently. They say they are talking to the gods. At that point, a visitor is usually feeling too mellow to argue. ■

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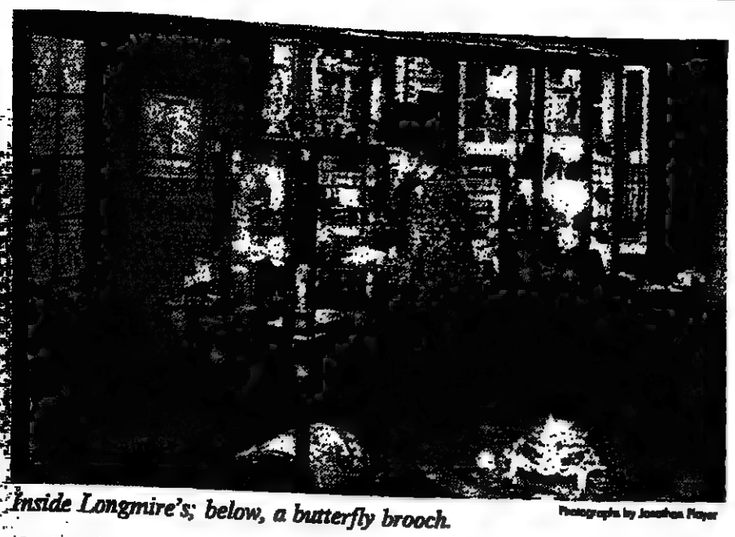
TRAVEL



Inside Longmire's; below, a butterfly brooch.

Photographs by Jonathan Player

The Fine Art of Detail: 800 Sets of Cuff Links

by Judith Burnley

LONDON — On Bury Street, St. James's, there is a jewelry shop that specializes in cuff links, that curious, yet stylish fashion sported by gentlemen as long ago as 1684, according to a reference in The London Gazette. The shop, Longmire's, has the largest collection of cuff links and dress sets to be found, with 800 pairs ranging from the equivalent of about $165 to $16,500 in price. These include a range of silver gilt enameled links (about $300 a pair) created from patterns and dies from the 1920s, as well as their own designs. Customers can choose color combinations from a wide-ranging chart, and the shop also makes custom designs.

"We encourage our clients to surprise us by their own originality," said the owner, Paul Longmire. "Sometimes we even challenge people to come up with something difficult and different."

The company has been making cuff links for 40 years and is continuing an 80-year-old tradition of supplying the royal family with presentation gifts in gold and silver.

Apart from a monogram, you can wear upon your sleeve the image of your dog, your home or your spouse. You can have your monogram or name engraved and your family crest enameled. Your tartan, your club, your school, your regiment, your favorite aunt, the biggest fish you ever caught can be immortalized. For example, Longmire's made a very successful range of enameled cuff links depicting the Harvard armorials in crimson for the 350th anniversary of the university.

Following fashion trends, Longmire's has recently added to its collection of custom-made enameled and engraved gold blazer buttons. Each button costs a minimum of $58 and is of exquisite quality. For polo players and racehorse owners, there is a special service: cuff links enameled with the team and owner's colors. These are made to order, hand-enameled on silver gilt, 9- and 18-karat gold, from $350 a pair.

OLD cuff links make up the majority of Longmire's collection. Thick sterling silver cuff links in the classic oval shape, or in a square shape, rather like a shield, are $157. Sterling silver cuff links gilded in 18-karat gold are $300.

These can also be enameled in any color, and patterned, as for example, a background of green enamel with a pattern of irregular red spots, or a background of white enamel with black spots. Sapphire cuff links are perhaps the most popular stone for formal wear; recently a pair of oval sapphire cabochon links with a platinum spiral-design border was priced at $4,785.

To cater to the revival in formal evening wear, Longmire's has a large and varied selection of dress sets ranging from $775. An onyx and diamond dress set consisting of a pair of cuff links, three studs and four buttons, all square in shape and bisected by a line of rose-cut diamonds cost $5,940.

Presentation cuff links have been made at Bury Street since early in this century, and Paul Longmire boasts two royal warrants — from supplying jewelry to Queen Elizabeth II, and silver to the Queen Mother. The doorway of the shop, which bears the arms of their royal appointments, is one of the most imposing in the neighborhood of Buckingham and St. James's palaces.

The rarest relic of a civilized age that Longmire's offers is personal service. One customer had to have a brooch with a swan on it, and Longmire found one for him. Now they keep a small zoo of animal brooches, some of them set with diamonds. A diamond-set cat playing with a ball of cultured pearls is $2,180; an Easter rabbit in gold with a basket of cultured pearl and coral eggs is $610, and a pair of paste monkeys swinging from a tree costs $760.

ANOTHER customer asked for a potato ring, which turned out to be a silver dish lined with glass, for serving hot potatoes. They hadn't seen such a thing for years, but Paul Longmire tracked one down. An American customer sent color photographs of his grandchildren, to be enameled on cuff links; then he sent the children themselves to collect them for him.

Paul Longmire has been enthusiastic about jewelry since he was a child, and one day in 1980, passing the shop he now owns, he saw a stick pin with a multicolored enameled trout; he said he could almost believe the shimmering creature was still wet. "I literally bought the stick pin and the shop that afternoon," he said. ■

Judith Burnley, the author of "The Wife" (Simon & Schuster) and "Unrepentant Women" (Stein & Day), lives in London. She wrote this for The New York Times.

Wildlife of Spain, for Sightseeing Only

by Mary Peirson Kennedy

COTO DONANA, Spain — The moon is still out but the sky is red in the east as people huddle silently around an open fire and a coffee machine hums in the background. At 8:25 sharp the guides signal everyone out of the reception center toward the Land-Rovers that will take the passengers into the rare beauty of the Coto Doñana, a national park whose 50,720 hectares (125,000 acres) are a refuge for fish, reptiles, amphibians, birds and mammals, and a stopover and sometime breeding ground for more than 150 species of birds.

Made up of marshes, swamps, sand dunes, forests, beaches and lakes, it is part of the provinces of Seville, Cadiz and Huelva. Bordered by the Guadalaquiver River and the Atlantic Ocean, close to the Mediterranean and to Africa, it is a geographical phenomenon. Once an exclusive hunting site for Spanish kings, Doñana is full of legends, not only of animals but of humans.

It is a chilly but sunny morning as the vehicles head toward the Atlantic, passing first through a recently built urban site, Matalascañas, whose existence is frowned on by conservationists and ecologists and lauded by the business community and the people who have found work there. On the other side of this whitewashed seaside complex the trucks roll onto the seemingly unlimited expanses of empty beaches broken only by the occasional fisherman's shack set back from the Atlantic. The Land-Rover stops not too far from a wading gaggle of wild geese — visitors from northern Europe. They will leave in the spring to lay their eggs in Norway.

AFTER an hour of watching seagulls and other birds on the beaches, the drivers turn abruptly up a sand dune and into an oak and pine forest, some of whose trees are known to be more than 250 years old. Coming around a sharp curve, a huge buck is encountered for a split second before it flees. Farther on is the headless carcass of a deer recently killed by a lynx. According to José Valladollid, a man in his middle 30s who has lived all his life in and around this reserve (and has been a guide at the center for more than 10 years), the lynx never eats anything but the head of its prey, leaving the rest for whatever scavengers get there first, usually vultures that swoop dramatically.

Here each animal has its natural enemies, but man is no longer one of them. Hunting has been prohibited (except occasionally to lessen herds) but it has not always been easy to enforce because of the strange history of this refuge. The lands belong only partly to the government. The rest is in the hands of old Spanish noble families. Since 1500, the herds of deer, wild boars, foxes, wolves and lynxes have been the special hunting reserve for Spain's titled and rich. There is a lovely palace in the middle of one of the forests where Alfonso XIII, the grandfather of King Juan Carlos, stayed, where the painter Francisco Goya may have painted the Duchess of Alba (scholars debate this), and where Prime Minister Felipe González and his family vacation.

At the end of the last century several of the landowners began to note all the migrating birds and their efforts eventually came under the wing of the World Wildlife Fund in 1981. The project's survival has been guaranteed by recognition from UNESCO as a "Reserve of the Biosphere" (the part of the world in which life can exist). Each year the regional and national governments and conservation groups buy up more of the land still in private hands. At the present 24,016 hectares belong to the government and 11,836 hectares to villages surrounding the reserve, leaving only 14,868 hectares privately owned — a figure everyone at Doñana hopes to reduce substantially.

At the first stop in the forest the nature lovers were quickly separated from the sightseers by the noisy way the latter burst out of the Land-Rovers and toward a green field where wild boars and deer were feeding.

There is no hunting in the park.

A.G.E.

"Shush," the nature lovers hissed as the animals began to run off. (Chastized, the sightseers were pretty subdued for the rest of the trip.) Slowly the animals returned with the cattle, egrets riding majestically on their backs, presenting a symbiotic scene and seemingly indifferent to the humans peeking at them from behind trees and bushes.

The trip takes about five unrushed hours. It includes duck blinds, where one can observe with binoculars ducks, geese and flamingos darting in and out of the reeds and small strips of land that rise from the swamps in the rainy seasons. Perhaps most dramatic are the constantly shifting sand dunes with surrealistically sculptured trees, St. John's flowers, rockrose, heather brooms and other hardy flora that can survive the onslaughts of sand and wind. (Parts of "Lawrence of Arabia" were filmed here.) If you are lucky you may get a glimpse of imperial eagles swooping overhead — at full speed they can go 190 kilometers an hour — or a tortoise, a red-tailed green lizard, or a bastard snake.

The tour also passes through primitive settlements of thatched-roof houses where generations of the same families have dwelled, and the tall trees have ladders leaning against them for the family chicken to use in case of attack by foxes or lynxes.

To the casual observer the balance of nature seems intact, although conservationists grimly observe that although it is a paradise, it is a threatened one. Last fall between 20,000 and 25,000 waterfowl died from insecticides used on nearby rice fields. Finally, the courts have agreed to investigate and eventually prosecute offenders. A plan to put a highway along the deserted Atlantic beaches has been stopped for the present.

The park can be seen only on tours, which are two a day, morning and afternoon, except Mondays. Reservations are advised. In off season there are no more than 15 or 20 in the groups. The maximum is 56 in a group and it costs 1,500 pesetas ($13) a person. For reservations call (955) 43.04.32 or 40.61.40.

To get there take the Seville-Huelva autoroute and get off at La Palma del Condado, taking Route 445 through Almonte and on to the center, which is clearly marked from the highway. ■

Mary Peirson Kennedy is a writer based in Spain.

A Fish Chef Who Does It His Way

PARIS — Thursday, 1:30 A.M. Gérard Allemandou, a big, rumpled bear of a man settles into his battered station wagon, the gas tank inching toward empty, and leaves work to go to work. Two, three, sometimes four, times each week, he says goodbye to the remaining customers at his restaurant, La Cagouille and, in a dusty car that smells heavily, but sweetly, of the sea, takes off for the Paris wholesale fish market, a market the regulars like to call Rungis-sur-Mer.

Here, in anywhere from 30 minutes to three hours, depending upon what he finds, he will select each box of squiggling live

PATRICIA WELLS

shrimp, each tiny crab, each giant tuna that will be served to about 100 customers the next day.

"Ninety percent of the success of my work depends upon this trip — the sheer freshness of the fish I serve," Allemandou volunteers as he weaves his way from one fish stall to the next, shaking hands, striking bargains, rejecting a box of silvery anchovies because, this morning at least, the price is too high.

The rest of his success depends upon his ability to cook the fish so perfectly that all one tastes is the fish itself, not browned butter, not virgin olive oil, not gummy batter, not grease. Whatever is on the plate at La Cagouille should taste of the sea, pure and simple.

A determined man, Allemandou is the kind of guy who does things differently, but not without reason.

Restaurants, he likes to say, are like wines. There are the *grand cru* chefs, like Michel Guérard, Joël Robuchon, Alain Chapel, and there are the *vin de pays* chefs, like himself.

Because he did not set out to capture a galaxy of Michelin stars, he doesn't have to adorn his fish with a dollop of caviar, or offer first-course portions of foie gras. He doesn't have to bother with rolling pastry carts. He does it his way.

His way begins with these regular trips to Rungis, where, he says, thanks to better transportation and an increased demand for all varieties of fish, the selection gets bigger, better and fresher all the time.

Allemandou goes armed with a shopping list, but rarely refers to it. Because there is no printed menu at La Cagouille — just a list of fish and shellfish preparations scribbled on a plastic-coated board — he is free to buy whatever is seasonal, fresh and well-priced.

As a result, La Cagouille's menu board often offers fish and shellfish one rarely finds elsewhere, such as *lisettes*, or baby mackerel; *casserons*, or cuttlefish; and thin sole-like ocean fish known as *céteaux*.

As we wander from stall to stall, he chatters, makes verbal notes, and then talks about cooking.

"So many of us," he interjects, "learn recipes, but never learn to cook."

Like fish, and the Cognac from his native region in the Charentes, cooking is a passion for Allemandou, a business school graduate turned publicist who woke up one morning and decided that what he really wanted to do in life was cook.

Over the years he has puzzled and pondered — with a fierce, intellectual earnestness — the question of the best way to cook each variety of fish and shellfish. With his trademark self-assuredness, he ticks off cooking methods he's devised by trial and error over long periods of time, many of them in conflict with traditional methods of cooking fish.

What to steam, what to fry, what to grill, what to cook in a combination of methods, he's studied them all:

- Tuna: Take big thick steaks, cook in a hot no-stick pan, with no oil, one minute on each side. The fish should be crisp on the outside, rare on the inside, like a good steak.
- There are only two fish in the world you should deep fry: anchovies and whitebait.
- Follow one rule of thumb in cooking fish: The smaller the fish, the higher the heat.
- Unless you want to turn fish to carbon, never put it in an oven hotter than 150 degrees centigrade (about 300 degrees Farenheit).
- Never cook fish in hot butter: If you want the flavor of butter, or of olive oil, brush a warm serving plate with melted butter or oil, then place the fish on top.
- Red wine has no place in either the preparation of or the eating of fish. Red wine masks, white wine compliments.

We continue on, passing a stand promising "Pêche de nuit, Pêche de Petits Bateaux," fish advertised as having just come from small, independent fishing boats. There, in white styrofoam boxes are neat layers of thin, perfect, glistening fillets of cod and pollack.

Yes, agrees Allemandou, fish fillets are better now than ever. Modern fillet machines are now standard on fishing boats, and many fish are filleted at sea, minutes after they are caught.

Then he interjects, "For me, a fish without its bones, is, well, a bit sad."

The next day, in the kitchen of La Cagouille, Allemandou wraps a worn navy denim apron around his ample frame and positions himself in front of a pair of gas burners. Orders roar in from the dining room, and soon thick tuna steaks, fat chunks of cod, mussels, miniature clams and crispy baby shrimp are flying out toward diners.

A short time ago he closed his popular, bare-bones bistro on Rue Daguerre to open a slightly larger restaurant on Place Brancusi, just a few blocks away.

HERE he has built his dream kitchen, a shiny, customized stainless steel space that opens to the dining room, a kitchen equipped with a station for deep frying, a giant electric grill, machines for steaming as well as pressure-steaming fish. There's not a touch of copper about, but rather an endless assortment of non-stick pans, ideal for cooking tuna as well as cod over high heat with no fat, and a few old-fashioned cast-iron skillets for pan-frying those tiny shrimp in peanut oil.

He teaches his staff to cook by aroma, and by feel. Their most useful tool is one that every housewife who has ever baked a cake will swear by: a slim wooden toothpick. Each fish that passes through into the dining room undergoes the sniff test, for aroma, the toothpick test, to check for doneness. The toothpick is inserted into the cooked fish, and if the flesh offers no resistance, the fish is considered done.

At this point, a small *dorade* is returned to the kitchen, rejected by a diner as "too raw." Allemandou takes it in stride, but shakes his head. "When I saw that fish go out of the kitchen, I said to myself: That fish is just a little bit overcooked."

La Cagouille, 10-12 Place Brancusi (across from 25 Rue de l'Ouest), Paris. Tel: 43.22.09.01. Closed Sunday, Monday and two weeks at Christmas. No credit cards. From 250 to 300 francs (about $45 to $50) per person, including wine and service. ■

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PhilaEl	39183	19¼	19⅛	19½	— ¼
DukeP	31600	48⅛	47⅝	47⅞	+ ⅛
BrtPtl pp	28399	17	16½	17	+ ⅛
AT&T	28320	30¼	29⅞	30	+ ⅜
GenEl s	25282	47⅜	43¾	46⅞	+2⅞
USX	22659	28	25¾	27⅞	+1⅞
Eastn s	22466	42¾	41⅝	41¾	— ¼
CmSolW	21736	31⅛	30⅛	30⅞	+ ⅜
IBM	21394	124⅝	119⅛	123¾	+4¼
EKodk s	19959	52¼	50½	51½	+ ⅞
AExp s	19610	33⅞	24¾	25½	+ ¼
Limited	18910	18⅝	17⅞	18⅛	+ ⅛
Mobil	17936	39	37⅞	38¾	+ ⅜
RJR Nb	14059	55⅞	52¾	54¾	+1⅛
GMot	13914	60½	59⅞	60⅛	— ⅛

Market Sales

NYSE 4 p.m. volume	225,960,000
NYSE prev. cons. close	228,797,260
Amex 4 p.m. volume	12,590,000
Amex prev. cons. close	10,590,000
OTC 4 p.m. volume	140,971,900
OTC prev. 4 p.m. volume	122,599,500
NYSE volume up	72,240,600
NYSE volume down	38,710,000
Amex volume up	7,578,900
Amex volume down	3,102,600
OTC volume up	n.a.
OTC volume down	n.a.

NYSE Index

	High	Low	Close	Ch'ge
Composite	142.39	139.59	141.51	+ 2.70
Industrials	169.04	166.24	168.93	+ 3.47
Transp.	122.91	121.40	122.75	+ 1.69
Utilities	71.71	70.93	71.70	+ 0.97
Finance	123.00	121.43	123.00	+ 2.32

Thursday's NYSE Closing

Via The Associated Press

AMEX Diary

	Close	Prev.
Advanced	440	283
Declined	254	396
Unchanged	223	215
Total issues	917	894
New Highs		
New Lows	22	22

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	324.18	+ 4.05	307.05	361.23
Industrials	329.16	+ 4.46	307.70	361.82
Finance	412.28	+ 5.81	395.71	481.22
Insurance	349.43	+ 4.80	328.44	421.53
Utilities	343.89	+ 11.78	321.12	339.50
Banks	368.58	+ 4.86	371.65	421.40
Transp.	312.77	+ 5.84	284.50	342.43

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Amdahl	10120	30⅝	28½	29⅛	+ ⅜
WangB	7324	12⅝	11⅝	12⅝	+ ½
EchB g s	4955	17¼	16⅝	17	— ⅜
BAT	4509	8	7½	7⅝	+ ⅛
LorTel	3164	9½	8⅝	9	
TexAir	3157	13⅝	13	13⅝	+ ⅛
NY Time	2885	30¼	29½	30¼	+ ½
Alza	2470	25⅝	24½	25⅝	+ ⅜
Ahari	2123	6⅛	5⅝	6	— ⅛
Gull	2047	19⅝	17⅝	19⅛	+1½
PalCo s	1851	22⅝	21⅝	22⅝	+ ⅛
Hasbr s	1603	13⅝	12⅝	13⅛	+1⅛
ImsOil g	1512	4⅝	4½	4⅝	— ⅛
ENSCO	1504	3⅛	3	3⅛	
FausPr	1479	7⅛	7⅛	7⅛	+ ⅛

NYSE Diary

	Close	Prev.
Advanced	1281	713
Declined	450	933
Unchanged	297	361
Total issues	2028	2007
New Highs	2	2
New Lows	45	39

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
Nov. 4	279,489	426,453	2,453
Nov. 3	402,137	468,499	605
Nov. 2	432,642	394,398	855
Oct. 30	545,842	422,441	1,222
Oct. 29	451,669	578,367	2,441

*Included in the sales figures

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1927.88	2011.94	1920.42	1985.41	+ 40.12
Trans	760.43	788.00	756.21	777.86	+ 11.66
Util	183.85	190.67	183.14	188.60	+ 2.74
Comp	720.12	749.39	717.14	739.87	+ 14.06

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	292.78	283.38	290.64	+ 4.93
Transp.	195.84	192.43	192.85	+ 2.30
Utilities	110.65	108.60	110.15	+ 1.40
Finance	24.34	23.54	24.13	+ 0.48
SP 500	254.89	247.72	252.48	+ 3.52
SP 100	—	—	248.76	+ 4.74

NASDAQ Diary

	Close	Prev.
Advanced	1,472	1,025
Declined	961	1,391
Unchanged	2,283	2,484
Total issues	4,616	4,820

AMEX Stock Index

High	Low	Close	Ch'ge
255.05	251.03	255.05	+ 2.88

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	86.21	+ 0.71
Utilities	85.96	+ 1.06
Industrials	86.46	+ 0.36

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Climbs 40.12 on Rate Cut

United Press International

NEW YORK — Prices on the New York Stock Exchange shrugged off the plummeting dollar to post a solid gain on Thursday, buoyed by a cut in the prime rate.

The major U.S. banks, led by Chase Manhattan Bank, lowered their prime lending rates to 8.75 percent from 9 percent. A variety of consumer and business loans are pegged to the prime.

The Dow Jones industrial average, which fell 18.24 points on Wednesday, was up 40.12 to 1,985.41 when the New York Stock Exchange closed at 3 P.M. The exchange closed early because of shortened trading hours instituted Oct. 23.

The NYSE composite index was up 2.7 to 141.81.

Advances led declines by a 3-1 ratio. Volume amounted to about 226.5 million shares, up from 202.5 million shares traded Wednesday, when the market closed at 2:30 P.M.

The stock market was buffeted by crosscurrents of conflicting economic news early in the session.

Stocks fell on foreign exchanges in Tokyo, Hong Kong, Singapore and Sydney, but rose in London.

The dollar hit new lows against the Deutsche mark and the Japanese yen in currency trading overseas, and interest-rate cuts by the West German and Swiss central banks failed to boost the U.S. currency in Europe.

On a brighter note, however, the nation's largest retailers reported generally higher October sales. That, along with a smaller-than-expected drop in car sales for the month, suggested that consumers were not as worried about an imminent recession as Wall Street is.

"It's a hard call today," said John Burnett, head trader at Donaldson Lufkin & Jenrette. "There's a good deal of uncertainty in this market, and it's going to take a while to go away."

Mr. Burnett said the stock price drop overseas "scares the heck out of" the market, leading some investors to move money out of equities into bonds.

"International markets in disarray generally are not constructive to what's going to happen here," he said.

Mr. Burnett said traders remained preoccupied with the budget-cutting negotiations in Washington, but there was a sense of pessimism.

"All eyes are glued on what's going on down there, but there doesn't seem to be a whole lot of action," he said.

Ron Doran, head of institutional trading at First Albany Corp., said traders are waiting for stronger signals from Washington.

"There's a definite concern out there, from a trading perspective, to get something done," Mr. Doran said. "The signal has been sent over the last couple of weeks that we need leadership — no matter who is responsible for the problems."

Mr. Doran said that the interest-rate cut would provide a short-term boost, but that action on the U.S. budget was required to restore long-term stability.

Philadelphia Electric, trading ex-dividend, was the most active NYSE-listed issue, off ⅜ to 19⅜.

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
		A								
25⅝	14⅞	AARs	.36	2.0	19	1058x	18¼	17⅝	18¼	— ⅜
12	6¾	ACM Gov	.42	.4		1351	11½	11⅛	11⅛	— ⅛
32½	17½	AFG s	.16	.4	9	1233	23¼	24⅝	25⅛	— ⅛
27	18½	AGS s			14	588	15⅝	15⅛	15¼	+ ⅛
10½	6¾	AMCA				5	7⅛	7⅛	7⅛	— ⅛
9⅝	3¼	AM Intl			42	984	4⅛	4½	4⅝	— ⅛
23⅝	17	AM Int pf	2.00	10.0		7	20¼	19½	20	+1
65½	29½	AMR			10	7341	36¼	34⅝	35½	+ ⅝
25	19	ANR pf	2.12	10.2		2	20⅝	20⅝	20⅝	+ ⅛
12⅝	6⅝	ARX s			7	173	7⅛	6⅝	7⅛	+ ⅛
73½	34½	ASA	2.00e	4.8		1585	43	41	41¾	—3⅝
22⅝	9½	AVX			18	516	14½	13⅞	14⅛	+ ⅜
67	49	AbtLab	1.00	2.0	19	5207	50	48¼	49⅝	+ ⅜
28	15⅝	AbitBi g				25	17⅛	17	17⅛	— ⅛
16¾	9	AcmeE	.40	3.6	11	542	11⅛	10⅞	11⅛	+ ⅛
10½	6⅛	AcmeE	.32p	4.2	26		7⅞	7⅝	7⅝	— ⅛
23¼	16½	AdaEx	2.30e	18.7			17⅝	17⅝	17⅝	— ⅛
19½	7¾	AdmMs	.24	2.5	7	74	9½	9½	9½	
35	14⅛	AdvSys			18	294	27⅝	27⅝	27⅝	+1⅛
24⅞	9⅛	AMD				9100	11¼	10⅝	11⅛	+ ⅛
56¾	30½	AMD pf	3.00	9.4		773	32⅝	32	32	— ¼
11⅞	4⅞	Adobe				347	5⅝	5	5¼	— ¼
20⅞	15	Adobe pf	1.84	10.8		17	17⅛	17⅛	17⅛	
21⅞	17	Adob pf	2.40	12.7		17	19⅛	18⅞	18⅞	— ⅛
15	6½	Advest	.12p	1.5	6	145	8⅛	7⅞	8⅛	+ ⅛
68¼	46	AetnLf	2.76	5.4	9	2786	52¼	50¾	51½	+ ⅜
83½	50⅝	AetnPs s	2.72	3.3	7	1315	83⅝	82⅝	83⅝	+2
36⅞	15	Ahmans	.88	2.3	7	3096	16¾	15⅝	16⅝	+ ½
5⅝	1¾	Aileen				34	2⅜	2⅛	2⅜	
53⅝	29	AirFrd	1.00	2.0	12	1928	34¼	32	33⅝	+1¾
34	11½	AirFrPt	.88	4.8		731	13¼	12⅝	13⅛	+ ⅜
16½	7⅞	Airgas n			16	64	11⅝	11⅛	11⅝	+ ⅛
19⅞	13½	Airlease	2.11e	13.8	9	23	15⅝	15¼	15¼	— ¼
	¼	AlMason			17	62	⅜			
28	25⅝	Alcoa	1.95e	7.5		70	26	26	26	— ½
10⅝	7⅛	AlaP dpf	.87	9.6			9⅛	9⅛	9⅛	+ ⅛
27⅞	12¼	AlskAir	.16	1.2	18	513	13⅝	12⅞	13⅝	
21⅝	14⅛	Alberto	.24	1.2	12	153	19⅝	19	19	+ ⅛
34	20¼	AlbertsS	.48	1.9	13	153	15½	15	15½	+ ⅛
30	21¼	Alcan s	.45l	1.9	12	1865	25⅝	25	25½	+ ½
34½	17⅛	AlexAlx	1.00	3.0	13	6033	24¼	23¼	24	+ ⅜
59	34¾	Alexdr			134	36	36⅝	35⅝	36⅝	+ ½
92½	48½	AllegCo				4	78	67⅝	67⅝	+2⅝
24⅝	4½	AllgInt				1069	6½	6	6½	+ ⅛
20½	8½	Allgn pr				29	10	10	10	
34	15½	AllgLud n	.10p	.5		663	19⅝	17½	18⅝	+1⅝
49	31⅝	AllgPw	2.92	7.5	10	1044	38½	37	37⅝	+ ⅜
105⅞	52	AllegG	1.91	3.7	37	5918	52	50⅝	51⅝	+ ⅛
19⅞	9½	AllnPd	.56	5.7		118	10⅛	9¾	9⅞	— ⅛
44	16⅝	AllnPd			10	236	15⅝	15⅛	15⅞	+ ¼
49¼	27	AldSpnl	1.80	5.5	9	6385	33⅞	32⅝	32⅝	
3⅞	1½	vAlnWst				691	1⅞	1⅝	1⅝	— ⅛
37½	6½	AlisC pf				37	8⅛	7⅝	8⅛	+ ⅛
10⅝	8⅛	AlstMu n	.03e	.3		132	9⅛	9⅛	9⅛	
34⅝	23	ALLTL s	1.52	3.6	14	451	27⅝	26⅝	27⅝	+ ⅜
41¼	29⅝	Alcoa	1.20	3.0		3287	42	40⅝	41⅝	+ ⅜
7	1¾	AmxGn	.04e	.7		906	1⅝	1⅝	1⅝	— ⅛
29¼	11⅝	Amax			4	5807	16⅝	15¼	16½	+1
41⅝	21½	AmHes	.20e	1.2	9	3940	25⅝	24⅝	25½	
35⅝	24⅝	AStrat s	.52e		7	1511	16⅝	16	16	—1⅝
60	39	AmBrnd	2.20	5.0	10	3621	44½	43⅝	44⅝	+ ⅜
34½	29⅞	ABrd pf	2.75	8.9		900	30⅝	30½	30⅝	+ ⅜
118¾	83¼	ABrd pf	2.47	3.1			87	87	87	+3½
36⅝	17	ABldM	.90	5.0	12	48	18⅛	17	18	+ ⅛
31½	22	ABusPr	.80	3.8	13	716	22	20⅝	21	—1
25⅝	17⅝	ACanBd	2.20	10.4		93	21⅝	20⅝	21¼	+ ⅛
35⅝	26	ACanCv	5.02e	18.5		27	27⅛	27	27¼	
10⅝	1	ACMR	1.00e	9.5	7	94	10⅝	10⅛	10⅛	— ⅛
	1	ACentC				2	1½	1½	1½	+ ⅛
57	29	ACyan s	1.05	2.7	13	5480	39⅝	37½	38½	+ ⅜
31⅝	17½	AEIPw	2.36e	6.9	7	7018	34⅝	33	34¼	+ ⅛
49⅝	28⅝	AExp s	.24	.5	18	9192	47⅝	46⅝	47⅝	+ ⅛
18½	9⅞	AFarm s	.32	1.9	11	1346	13⅝	12⅝	12½	— ⅛
44⅝	28⅝	AGnCo	1.25	3.7	7	2841	33⅞	32⅝	33⅝	+ ⅛
31⅝	8⅝	AGnl wt				1123	10⅝	9½	10⅝	+1⅛
20⅞	13⅝	AHlth n	1.32e	6.5		8	20⅝	20⅝	20⅝	+ ⅛
34	23¼	AHerit s	.94	3.7	10	15	25⅝	24⅝	24⅝	— ⅜
11⅝	4⅝	AHoist				442	6⅝	6⅛	6⅛	+ ⅛
24⅝	17½	AHoist pf	1.95	11.1		13	17⅝	17½	17½	— ⅜
42	32	AHome	2.12	4.4	13	3892	48⅝	47⅝	48⅝	+ ⅜
424⅝	341	AHome pf	2.00			2	318⅝	318½	318½	—6
99⅞	74	Amrtrs s	5.00	5.4	11	2974	89⅝	88½	89	+ ⅜
63⅝	54⅞	AInKtr	.92	.3	16	6713	66½	65⅝	65⅝	—1⅝
20⅞	10⅝	AMtn	.20	1.0	10	7914	12⅝	11⅝	12⅝	+ ⅛
51	31⅝	APress	.60	1.2	11	72	54⅝	54	54	— ½
69	44	APrsd pf	3.50	6.3		1	54⅝	54	54	— ½
17½	12½	ARExt n	1.00e	6.3		138	16⅝	15⅝	15⅝	+ ⅛
13⅝	8⅝	ASSLtd			3	32	9⅝	9⅝	9⅝	
22⅝	14⅝	ASLFl pf	2.19	13.0		20	16⅝	16⅝	16⅝	
10⅝	3⅝	AShip	.40	9.4		85	4⅛	4	4⅛	
53	33	AmStd	1.80	3.8	19	3225	47⅝	44⅝	47½	+2⅝
41⅝	28⅝	AmStor	.52	1.4	15	314	37⅝	36⅝	37⅝	+1½
60⅝	44⅝	AStrLn A	4.34	8.8		71	64½	63	64½	+ ⅜
60	54½	AStr pfB	6.60	12.3		4	55⅝	55	55⅝	+ ⅛
30⅝	22⅝	AT&T	1.20	4.0	22	28200	30½	29⅝	30	+ ⅜
52½	49½	AT&T pf	3.44	7.2		18	51⅝	50⅝	50⅝	— ⅜
27⅝	14⅝	AmWtr s	.44	2.9		7	15⅝	15	15⅝	+ ⅛
17½	13¼	AWat pr	1.23	9.8		800x	14¼	14	14	
13⅝	8¼	AmHoll				97	9⅞	9⅞	9⅞	+ ⅛
82	73	ATr pf	6.37	7.9		7	79½	79½	79½	+ ⅛
34⅝	19	ATr s			19	39	19	18⅝	19	+ ⅛
134½	103⅝	ATr un	4.37	8.5		2	115	115	115	+1
27⅝	24⅝	Ameren	.96	3.4	7	10	26½	26½	26½	
39⅝	7½	AmesDp	.10	.3	17	1730	11⅛	10⅝	10⅝	— ⅛
29⅝	24	AmHes	1.00	3.9	14	1200	25⅝	25	25⅝	+ ⅛
12⅝	9⅛	AmwSc	1.08	10.4		64	10⅝	10⅝	10⅝	+ ⅛
48⅝	21½	Amfac				223	27⅝	26	27⅝	+ ⅜
37½	24½	Amfac pf	1.87	6.7		3	27⅝	26	27⅝	— ⅜
4⅝	1½	vAmfac				4	2⅝	2⅝	2⅝	+ ⅛
90¼	57	AmCan	3.20	4.8	15	6283	70	67½	67½	+2⅝
71⅝	34⅝	AMP	.90	1.3	22	5076	67⅝	67⅝	67⅝	+2⅝
19	11⅝	Ampco	.30	2.4		292	11⅝	11⅝	11⅝	+ ½
12⅝	4⅝	Amrep s				7	5⅝	5⅝	5⅝	+ ⅛
18⅝	8	Amrin s	.48	3.5	7	727	13⅝	13⅝	13⅝	+ ⅛
25⅝	20⅝	AmSth	1.16	4.9	7	231	24	23⅝	23⅝	
10⅝	3⅝	Anacomp			20	3720	5⅝	5	5⅝	+ ⅛
34⅝	18⅝	AnadrK	.30	1.2		1377	25	24⅝	24⅝	— ⅜
24⅝	15⅝	Analeg			28	118	19⅝	19⅝	19⅝	+ ⅛
19⅝	11⅝	AnchG s	.68	4.1	13	537	17⅝	16⅝	17⅝	+ ⅛
34⅝	19⅝	Angelic	.72	2.3	11	80	31⅝	31⅝	31⅝	+ ⅛
17⅝	9⅝	AnaCr n	1.32	12.0		117	10⅝	10⅝	10⅝	
40⅝	24⅝	Anheus	.20	.5	13	7339	38⅝	37⅝	38⅝	+ ⅛
17⅝	6⅝	Anthm s			27	44	9⅝	9⅝	9⅝	+ ⅛
13⅝	7⅝	Anthem			4	4	7⅝	7⅝	7⅝	+ ⅛
31½	21	AonCo s	1.20	3.4	6	1726	35⅝	34⅝	35⅝	+ ⅛
12⅝	6⅝	Apache	.28	3.4		341	7⅝	7⅝	7⅝	+ ⅛
9⅝	3⅝	ApcPun	.30	13.5		614	3⅝	3⅝	3⅝	— ⅛
101⅝	72	APPw pf	8.12	9.8		200x	82½	81½	82½	+2
25⅝	19⅝	APPw pf	2.48	10.0		1150x	24⅝	24⅝	24⅝	+ ⅛
28⅝	24⅝	APPw pf	2.48	10.0		8	24½	24⅝	24⅝	+ ⅛
28⅝	23⅝	APPw pf	2.18	14.7		15	24⅝	24⅝	24⅝	+ ⅛
41⅝	18⅝	ApolMg			13	274	24⅝	24	24½	
28	15⅝	ArchDn	.10b	.5	17	1439	19⅝	19⅝	19⅝	+ ⅛
38⅝	17	ArcCh	.20	.6		2520	34½	33⅝	34⅝	+ ⅛
37	16⅝	ArlsIr n	.36e	1.6	10	463	22⅝	20⅝	21⅝	+1⅝
20⅝	10⅝	ArkBst	.36	3.3	16	497	11⅝	11	11⅝	+ ⅛
27⅝	17⅝	Arkla	1.68	6.3	10	2822	26⅝	26⅝	26⅝	+ ⅛
28	22	ArklLt	1.00	7.9		44	13	12⅝	12⅝	+ ⅛
15⅝	7⅝	Armade			33	30	8⅝	8⅝	8⅝	— ⅛
14⅝	4⅝	Armco			6	2369	15⅝	15⅝	15⅝	
28½	14	ArmcPl	2.10	9.4		40	22⅝	21⅝	22⅝	+ ⅜
47⅝	23⅝	ArmWl	.90	3.1	10	3438	29⅝	28⅝	29⅝	+ ⅛
29½	13	ArmTek	.48	2.9	11	280	17⅝	15⅝	16⅝	+1⅛
12⅝	4⅝	ArowE	.20l			277	6½	6	6	— ⅛
21⅝	11⅝	ArowE pf	1.84	13.6		20	14⅝	14⅝	14⅝	
12⅝	4⅝	Artra				80	5⅝	5⅝	5⅝	— ⅜
22⅝	18	Arvin	.48	3.5	7	727	19⅝	18⅝	19⅝	+ ⅛
24⅝	13⅝	Asarco			8	2230	24	23⅝	24	+3½
21⅝	46½	AshOil	1.80	3.5	12	735	51⅝	50⅝	52	+1½
21	14⅝	AsbPt n				403	4⅝	4⅝	4⅝	+ ⅛
15½	8⅝	AtlSos				2	7⅝	7⅝	7⅝	
23⅝	10⅝	Athlone	1.40	14.7		20	11⅝	10⅝	10⅝	— ⅛
41⅝	30	AtlEnrg	2.68	6.3	10	169	33⅝	33⅝	33⅝	+ ⅛
47⅝	34⅝	AtlRich	4.60	9.1	13	8292	50⅝	50	50⅝	+ ⅛
23⅝	13⅝	AtlRcr pf	2.80	1.6		4	17⅝	17⅝	17⅝	
53	14⅝	AtlasCo			44	100	20	19⅝	20⅝	
6⅝	3⅝	AudVd				137	4⅛	4	4⅛	+ ⅛
27⅝	18	August	.48	3.3	30	37	14⅝	14⅝	14⅝	+ ⅛
27⅝	10	AuSmt	.32	2.5	7	772	13⅝	12⅝	13⅝	+ ⅛
54½	27⅝	AutoDt	.44	1.0	23	1614	42	40⅝	41	+1⅛
6	3⅝	Avalon	.20e	4.0	40	53	5	4⅝	5	+ ⅛
14⅝	13	AVMC s	.32	2.4	10	102	13	13	13	— ⅛
25⅝	15⅝	Avery I	.42	2.3	14	440	18⅝	17⅝	17⅝	— ⅜
29⅝	18½	Avnet	.50	2.0	29	1445	25½	24⅝	25	+ ⅛
27⅝	19⅝	Avon	2.00	8.2	11	3110	24⅝	24	24⅝	+ ⅛
37½	16	Aydin			10	101	20	19½	19⅝	+ ⅛
		B								
20⅝	13⅝	BETn	.07e	3.7		35	15⅝	14⅝	15⅝	+ ⅜
9⅝	3⅝	BMC				44	4⅝	4⅝	4⅝	+ ⅛
33½	23½	BRE	2.40	8.9	11	12	27	27	27	+ ⅜
24⅝	20⅝	Balmco	.80	3.0		20	22½	22	22½	+ ⅛
12⅝	7⅝	BkrHu	.24	.3		3449	7⅝	7⅝	7⅝	— ⅛
47	38⅝	BkrH pf	3.50	8.6		13	43½	43	43½	— ⅛
28	17	Baldor	.48	2.5	17	128	18⅝	18⅝	18⅝	— ⅛
43½	27⅝	Ball	.96	2.3	12	230	42	41⅝	41⅝	— ⅜
27⅝	18½	BallyMf	.12	.6	7	2870	21⅝	20⅝	21⅝	+ ⅜
37⅝	19	BallGE	1.90	5.7	10	3015	34	32⅝	33⅝	+ ⅛
64	50½	Ball pfB	4.50	8.3		100z	54	54	54	+1
15⅝	10⅝	BncOne	.72	5.1	12	1327	14⅝	14⅝	14⅝	+ ⅜
32⅝	21⅝	BncOne	.36e	1.3		90	19⅝	19⅝	19⅝	+1½
53⅝	41⅝	BnSant n	.24e	.4		16	42⅝	42⅝	42⅝	+ ⅛
4⅝	1⅝	BanTx n				182	2	1⅞	2	
41⅝	31⅝	Bandag s	.70	1.5	13	172	48½	46⅝	48	+ ⅛
38	17⅝	BkBost	1.00	4.4	13	3292	23⅝	21⅝	23⅝	+1
52⅝	49½	BkB pfA	3.27e	6.5		100	50½	50½	50½	+1
102	92⅝	BkB pfC	5.92e	6.4		250z	92	92	92	—1½
45⅝	25⅝	BkNY	1.80	5.4	11	1110	34	32⅝	33⅝	+1
16⅝	5⅝	BnkAm				5285	9⅛	8⅝	9	
37⅝	26	BkAs	3.36e	11.6		55	29⅝	28⅝	29⅝	+ ⅜
65	48	BkAs pf	6.00e	12.0		114	51	48⅝	50	+1½
5⅝	2	BkAs pf	2.88			348	2⅝	2⅝	2⅝	
55⅝	27	BnkTr s	1.46	5.1		4321	32½	31⅝	32½	+ ⅜
27⅝	15	Banner	.04	.4	9	463	15½	14⅝	15¼	— ⅜
62½	26⅝	Barclay	1.66e	5.3	6	55	31⅝	30⅝	31⅝	+1½
30¼	25	Bard	.92	3.0	17	1082	31⅝	30⅝	31⅝	+2⅝
40⅝	29⅝	BarnGp	1.20	4.0	12	72	30⅝	30	30⅝	— ⅜
41⅝	27⅝	Barnes s	.92	3.0	9	1198	30⅝	30⅝	30⅝	
20⅝	11⅝	BarrWr	.80	5.2	13	91	11

Herald Tribune
BUSINESS/FINANCE
FRIDAY, NOVEMBER 6, 1987

WALL STREET WATCH

Weeks After Easy Birth, New Issues Float in Limbo

By VARTANIG G. VARTAN
New York Times Service

NEW YORK — The October plunge in stock prices has brought the new-issue market to a virtual standstill. Few deals have reached the public. And prices are off sharply for corporations that had made initial offerings just before the market collapse.

"Just about everyone in the underwriting business has been sitting around looking at each other," said Richard L. Franyo, head of corporate finance for Alex. Brown & Sons in Baltimore.

"If the stock market is able to stabilize for a few weeks, you could see firms bringing their best deals public — but at lower offering prices than had been anticipated before the market break," he added.

Of the 100 most recent new issues, the average decline has been 32 percent.

When a bull market is in full swing, new corporate offerings enjoy bursts of popularity. In the most sought-after deals, prices can jump to big premiums on the first day of trading as demand outstrips the supply of stock.

But the other side of the coin is demonstrated in a study made by Going Public: The IPO Reporter, a publication that monitors the new-issue market. On Oct. 19, the Dow Jones industrial average plunged a record 508 points, or 22.6 percent, to finish at 1,738.74. As of Oct. 28, the 100 most recent new issues, dating back to Aug. 25, showed an average decline of 32.1 percent from their initial offering price.

That is about equivalent to the declines of the Nasdaq composite index of over-the-counter stocks, which fell 35.9 percent, and the Dow industrials, which dropped 32.2 percent.

"We've never had such a negative reading in initial offerings since we began keeping records in late 1985," said Susan Gallant, editor of Going Public. "By contrast, back in mid-April of 1986, a comparable assortment of new issues showed an average gain of 26.1 percent from their offering price."

The present slump has hit some issues particularly hard. On Sept. 22, Charles Schwab & Co., the largest U.S. discount broker, sold eight million shares at $16.50 each, with Morgan Stanley & Co. heading the syndicate. On Oct. 28, the stock closed at $7.50, or a drop of 54.55 percent from its offering price. Schwab reported that it had lost $22 million in the recent market downturn, largely because one customer could not meet margin calls.

SPIEGEL INC., a catalogue retailer, went public on Oct. 6 with an offering of six million shares priced at $16 apiece. Merrill Lynch led the underwriters. On Oct. 28, the stock finished at $7.25, off 54.69 percent from its initial price.

ARCO Chemical Co., the former chemical division of Atlantic Richfield, saw its 17 million shares come to market on Sept. 28 at $32 each. The deal was so popular that underwriters headed by Goldman, Sachs and Salomon Brothers raised the offering price from an original estimate of between $26 and $29. On Oct. 28, ARCO closed at $22, down 31.25 percent from its offering price.

Some deals are being postponed because of the market's inhospitable state. One such offering is MTM Entertainment Inc., which had planned to sell four million shares at $25 to $28 each in October. Mary Tyler Moore, a director of the company, has proposed selling 644,000 shares in the offering.

Several proposed offerings of cellular telephone stocks, which were a hot sector in late summer, are "in various stages of limbo," according to Jack B. Grubman, an analyst for PaineWebber. One such issue for a subsidiary of Pacific Telesis has been postponed.

Companies that decide not to go public in the current environment have other alternatives. If there is no urgent need to raise cash, they can simply wait. Or they can negotiate private deals or even sell out. "We are restructuring two previously planned new issues into private placements," said Susan Harman, a managing director for PaineWebber in San Francisco. "Basically, you need a fairly positive investing attitude to launch a new name."

Currency Rates

Nov. 5

Cross Rates

	$	£	DM	F.F.	Fl.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.906	3.361	1.1261	0.33	0.1522 *	—	5.372 *	1.3663	1.4027 *
Brussels(a)	35.482	63.54	20.9375	6.14	2.8377 *	18.6135	—	25.4438	0.2611
Frankfurt	1.692	2.986	—	0.2932	0.1352 *	0.8869	4.774 *	1.2159	1.247 *
London (b)	1.703	—	2.0148	10.0815	2.9158	3.2453	51.985	2.4455	240.305
Milan	1,203.90	2,210.10	739.88	214.88	—	657.43	3,723	899.23	9.219
New York(c)	—	1.779 b	1.677	5.076	1.2898	1.886	35.11	1.36	138.85
Paris	0.7738	10.166	3.409	—	0.4612 *	3.0292	0.1628	4.1444	4.23 *
Tokyo	134.36	239.78	80.43	23.43	0.1094	71.48	3.8548	97.78	—
Zurich	1.593	2.8559	0.9227	0.9433	0.1111 *	0.7312	3.9253 *	—	1.0243 *
1 ECU	1.9183	0.6903	2.0605	7.0219	1.572.04	2.3184	43.1432	1.696	166.402
1 SDR	1.3436	0.7618	2.2758	7.7544	1.684.58	2.5591	47.6029	1.873	183.866

Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	4.00	Fin. markka	4.198	Mex. peso	1657.88	S. Afr. rand	1.988
Austral. $	1.4815	Greek drac.	135.00	N. Zealand $	1.65	Soviet ruble*	0.6134
Austr. schil.	12.01	Hong Kong $	7.8105	Nig. naira*	4.2108	Span. peseta	114.00
Belg. fin. fr.	36.01	Indian rupee	13.06	Norw. krone	6.445	Swed. krona	6.132
Brazil cruz.	56.20	Indo. rupiah	1642.00	Phil. peso	21.00	Taiwan $	29.90
Canadian $	1.3263	Irish £	0.6431	Port. escudo	138.50	Thai baht*	25.495
Chinese yuan*	3.7221	Israeli shek.	1.67	Saudi riyal*	3.7475	Turkish lira	934.41
Danish krone	6.5817	Kuwaiti dinar*	0.2758	Sing. $	2.0565	UAE dirham*	3.6728
Egypt. pound	2.21	Malay. ring.*	2.4705	S. Kor. won	796.60	Venez. bolIv.	32.57

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7644	1.7658	1.7676	Canadian dollar	1.3282	1.3285	1.3301
Japanese yen	135.81	135.42	135.10	Swiss franc	1.3903	1.389	1.383
Deutsche mark	1.6908	1.6855	1.6809				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Nov. 5

Eurocurrency Deposits

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	6⅝-6¾	3½-3⅝	2 ¾-2 ⅞	8 ⅞-9 ⅞	7 ⅞-7 ⅞	6 ⅞-7 ⅛	5 ⅝
2 months	6 ⅞-6 ⅞	3 ⅞-5 ⅞	3⅛-3½	8 ⅞-8 ⅞	7⅞-8	7 ⅞-7 ⅞	6⅛
3 months	7⅛-7⅛	5 ⅞-5 ⅞	3⅛-3½	8⅝-8⅝	8-8⅛	7-7⅛	6⅛
6 months	7⅛-7¼	3⅞-4	3 ⅞-3 ⅞	8⅝-8⅝	8 ⅛-8 ⅛	6 ⅞-7 ⅛	6 ⅛
1 year	7⅛-7⅛	4 ⅛-4 ⅛	3 ⅞-3 ⅞	8⅝-8⅝	8⅛-8⅛	7⅛-7¼	6⅛

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates Nov. 5

	Close	Prev.
United States		
Discount rate	6	6
Prime rate	8½-9	9
Federal funds	6½	5
Com paper 90-179 days	6.62	6.89
3-month Treasury bills	5.56	5.57
6-month Treasury bills	6.01	6.04
3-month CD's	6.64	6.71
3-month CD's	6.64	6.71
Japan		
Discount rate	2½	2½
Call money	3⅛	3 7/16
3-month interbank	3⅛	3⅛
3-month interbank	3 15/16	3 15/16
West Germany		
Discount rate	3	3
Lombard rate	4.50	5
Overnight rate	3.75	3.80
1-month interbank	3.70	3.75
3-month interbank	4.80	4.15
6-month interbank	4.19	4.20
Britain		
Base lending rate	9	9½-10
Call money	9¼	9¼
3-month interbank	9 9/16	9⅛
91-day Treasury bill	9 9/16	n.a.
France		
Intervention rate	8⅛	7½
Call money	8⅛	7 15/16
1-month interbank	7 15/16	7 15/16
3-month interbank	8⅛	8⅛
6-month interbank	8 11/16	8 11/16

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits Nov. 5

1 month	6⅝ - 6⅞
2 months	7 ⅛ - 7 ⅜
3 months	7⅛ - 7⅜
6 months	7¼ - 7⅜
1 year	7 ⅝ - 7 ⅞

Source: Reuters.

U.S. Money Market Funds Nov. 5

Merrill Lynch Ready Assets 30-day average yield: 7.53
Telerate Interest Rate Index: 6.637
Source: Merrill Lynch, Telerate.

Gold

Nov. 5

	A.M.	P.M.	Ch'ge
Hong Kong	446.35	445.95	−2.70
Luxembourg	445.15	—	−2.85
Paris (12.5 kilo)	461.44	460.44	−10.22
Zurich	445.85	457.00	−9.25
London	459.70	457.55	−8.60
New York	—	458.50	−7.85

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

(Continued on page 14, left-hand col.)

Telit Plan Collapses In Italy

Fiat Pulls Out Of Joint Venture

By David Brown
Special to the Herald Tribune

ROME — A plan to restructure Italy's fragmented telecommunications industry was dealt an apparently fatal blow on Thursday when Fiat SpA announced its decision to withdraw from a faltering public-private joint venture.

The venture involved Telettra SpA, a Fiat subsidiary, and the Italtel SpA unit of Stet, an arm of the giant IRI holding company. The venture was the keystone of a strategy to preserve Italy's competitiveness on the world telecommunications market.

The auto and industrial giant said it was withdrawing from the Telit venture because of "persistent behavior" by IRI that it said "contradicted" an earlier agreement on how the company should be organized.

The decision was made with "regret and bitterness," Fiat added.

The announcement came on the heels of a highly political debate over who should manage and control the Telit venture, which was announced in November 1985.

In late September, Fiat announced its opposition to IRI's appointment of Marisa Bellisario as managing director of Telit on the ground that Fiat had not been adequately consulted.

Miss Bellisario, managing director of Italtel, is widely regarded as a Socialist, and Fiat has had increasingly tense relations with the Socialists in recent months.

The collapse of the venture was widely seen as a setback to Italy's hope of surviving the stiffening competition of the telecommunications market.

Several foreign telecommunications groups, including L.M. Ericsson of Sweden, Siemens AG of West Germany and Plessey Co. of Britain, have been negotiating with both Telit partners over a possible strategic linkup.

Separately, Fiat denied rumors that it was preparing a bid to take over Bayerische Motoren Werke, the West German automaker.

The Associated Press

WORRY GRIPS JAPANESE — Traders scrambling to place orders on the Tokyo Stock Exchange, where prices fell 1.87 percent Thursday. The yen hit a postwar high of 135.35 to the dollar at one point in trading, triggering an across-the-board selling wave.

Asian Stocks Fall With Dollar; Rate Cuts Help Steady Europe

Compiled by Our Staff From Dispatches

Stock prices fell Thursday on all major Asian and European exchanges except London as a plummeting dollar and Wednesday's decline on Wall Street erased much of the timid confidence that prevailed early this week.

The downward spiral in Paris and Frankfurt was arrested, however, as reports emerged that France and West Germany would take joint action on interest rates.

Prices tumbled on the Tokyo Stock Exchange, with the Nikkei average of 225 stocks falling 430.97 yen to 22,629.56, amid growing anxiety about the effect of the yen's appreciation on Japanese industry.

Brokers in Tokyo said that most institutional investors sat on the sidelines, with their attention riveted on exchange-rate developments in money markets and on the U.S. Treasury auction. Thursday's auction of 30-year bonds is considered crucial to the dollar's strength against the yen.

In Hong Kong, the Hang Seng share index fell through 2,000, an important psychological barrier, to finish at 1,960.90. The plunge of 116.21 points amounted to 5.6 percent of the index's value.

In Sydney, the All-Ordinaries index closed at 1,250.30, its lowest level in 13 months, as investors sold furiously from the moment the starting bell rang. The index fell 39.80 points, or 3.1 percent.

Share prices also slumped in Singapore, where the Straits Times index declined 39.79 points, or 4.6 percent, to 817.72.

But in London, the Financial Times-Stock Exchange index rose 30.70 points, or 1.9 percent, to close at 1,638.80, after shares rallied on news of interest-rate cuts in the United States, West Germany and Switzerland. British banks had trimmed their base lending rates 0.5 percentage point, to 9 percent, on Thursday.

France, acting in tandem with West Germany, raised its money-market intervention rate to help stabilize the currency and stock markets.

"The market was mildly encouraged," said Gavyn Davies, chief economist at Goldman, Sachs in London. "But the problems that caused the recent crash have not gone away."

The interest-rate move limited the decline in the Frankfurt Stock Exchange's leading share index to 31.30 points, or 2.19 percent.

Early in the day, it looked as though the Commerzbank index of 100 leading shares was headed for a 10 percent plunge in value. But rumors that the West German rate cuts were imminent helped steady the index, which closed at 1,396.60.

In Paris, stock prices also regained some ground as the French and West German governments pledged to take joint action on rates and currencies. After an earlier decline of 1 percent in mixed, hesitant trading, the main Bourse indicator advanced somewhat to close just 0.38 percent lower.

The London Stock Exchange, which received the interest-rate news earlier in its trading session, was the only major European exchange to post a gain. By the closing, fluctuations on Wall Street had eroded some of the advance.

Dealers described a now-familiar pattern in which positive economic news — such as interest-rate action — buoys prices, only to be tempered by fears about the U.S. budget and trade deficits.

Analysts in London have been looking for a cut of about $60 billion in the the U.S. budget deficit over two years. But one senior dealer said it could take a $50 billion cut in the first year to drag markets out of their recent slump. *(Reuters, AFP, AP)*

Big U.S. Banks Cut Prime Rate By 0.25 Point

The Associated Press

NEW YORK — Large U.S. banks cut their prime lending rates Thursday by a quarter point to 8.75 percent amid mounting pressure for lower rates in the aftermath of the stock market collapse.

The banks announced the cuts shortly after the stock market opened. Stock prices, which started the day off on a gloomy note, quickly rallied upon the news, on the belief that corporate earnings would benefit by lower borrowing costs.

Chase Manhattan Bank was the first major bank to cut its prime, the rate that banks charge their best corporate customers. It was quickly followed by, among others, Citibank, Bankers Trust Co., Morgan Guaranty Trust Co. and Manufacturers Hanover Trust Co.

The moves came a few days after a smaller bank, Riggs National Bank in Washington, cut its prime to 8.75 percent.

Marlin Fitzwater, the White House spokesman, praised the action by U.S. banks. "We do think that's a helpful course of action in terms of lowering interest rates and providing liquidity into the market during this period," he said.

The last cut by major U.S. banks came just two weeks ago, on Oct. 22, when the rate fell to 9 percent from 9.25 percent.

On Wednesday, British banks cut their base lending rate one-half point, to 9 percent, and on Thursday, the Bundesbank cut its little-used Lombard rate and pledged to reduce West German money-market rates.

Since August 1986, when the prime stood at 7.5 percent, the rate has been raised five times. Last month, three big banks boosted their prime all the way to 9.75 percent, then promptly reversed course to 9.25 percent in the wake of the stock market collapse on Oct. 19.

Analysts said that Thursday's reduction came as no surprise given that the Federal Reserve Board has eased its credit policies.

"I think there's a real effort on the part of the Fed and the banking system to provide a lot of liquidity in an effort to keep short rates down and safeguard against a slowing in the economy," said Nancy Vanden Houten, a money-market economist for Merrill Lynch Capital Markets Inc.

For banks, she noted, the "cost of funds has come down quite a bit, so they decided to pass that along to their customers."

The prime serves as the benchmark for interest rates on a variety of corporate and consumer loans. A cut in interest rates often stimulates economic growth by making corporate and individual borrowing less expensive.

Although the rates cuts in Britain, West Germany and Switzerland did little Thursday to bolster the dollar, analysts said that they could help prevent the U.S. prime rate cuts from further weakening the currency. The dollar has fallen precipitously in recent weeks, partly because relatively higher interest rates in other countries made non-dollar assets more attractive.

Industry Orders In West Germany Decline 4.3%

Reuters

BONN — West German manufacturing orders fell 4.3 percent in September after a revised 6.5 percent gain in August, the Economics Ministry said Thursday.

The ministry had originally reported the August gain at 7.4 percent. All figures are seasonally adjusted.

The ministry said that domestic orders fell 8 percent in September from August, after an 11 percent rise the previous month. Foreign orders were unchanged after increasing 5 percent in August.

It said that the unusual strength of the August rise in orders had made the September figure seem weak by comparison.

Japan Insists That U.S. Move to Bolster Dollar

As the Yen Soars, So Do Tokyo's Fears For the State of Its Export Industries

By Clyde Haberman
New York Times Service

TOKYO — Japanese leaders, worried about the effects of the strengthening yen on their nation's exports, have demanded that the United States move quickly to stabilize currency exchange rates.

Finance Minister Kiichi Miyazawa has led a chorus of calls for the Reagan administration and Congress to agree on specific measures to cut the American budget deficit.

Mr. Miyazawa attributed the dollar's fragility to the huge deficit. The need to finance the deficit had until recently pushed up U.S. interest rates; higher rates help attract foreign investment, which in turn increases the demand for dollars.

But the impasse between congressional and White House negotiators on reducing the deficit, and the economic worries arising from the stock market crisis, have prompted a lowering of rates. This has discouraged dollar buying and weakened the currency.

Expressing concern over the dollar's decline, Mr. Miyazawa said Wednesday that Japan would continue to intervene actively in exchange markets to prevent the yen from rapidly gaining strength.

Despite vigorous attempts by the Bank of Japan to prop up the dollar with large purchases, selling pressure continued Thursday in Tokyo. The dollar slid to 135.35 yen, the lowest since 1949, when it was fixed at 360 yen, a level maintained for many years.

Persistent intervention by the Bank of Japan eventually did help to nudge the U.S. currency up later in the day, and it closed in Tokyo at 136.25 yen, compared with 137.10 on Wednesday.

The dollar's troubles were also felt on the Tokyo Stock Exchange, where prices declined sharply and broadly on Thursday. Amid listless trading, the key Nikkei average of 225 selected stocks fell 430.88 yen, or 1.8 percent, to close at 22,629.65 yen. The index fell 1.3 percent on Wednesday.

The soaring yen had caused profits here to tumble earlier this year as corporations deferred raising prices to keep their products competitive in overseas markets. Meanwhile, unemployment rose as industries suffered from a slowdown in demand for their products.

When the yen stabilized during the spring and summer, the economy showed new signs of growth. Now the nation is worried that another increase in the yen's value will jeopardize this revival.

Reuters

Finance Minister Kiichi Miyazawa called for U.S. action to reduce the huge federal budget deficit.

At a news conference on Wednesday, Mr. Miyazawa acknowledged that Japanese intervention in exchange markets was not enough to halt the dollar's slide.

But he said that Japan was not prepared to seek a meeting of the Group of Seven industrialized democracies to affirm that the dollar should be fixed at a prescribed level. For Tokyo, he said, the so-called Louvre accord of last February, setting ranges for the dollar, was still in effect and required no bolstering. The Group of Seven comprises the United States, Japan, West Germany, France, Britain, Italy and Canada.

Over and over, Japanese government and business leaders put primary blame on the United States for failing to deal with its twin deficits — budget and trade. Prime Minister Yasuhiro Nakasone, who will leave office in two days, said the Japanese government would have to keep "a close eye" on the negotiations between the White House and Congress on shrinking the deficits.

According to Kyodo, the Japanese news agency, cabinet ministers have expressed worry about the effects of the strong yen on export-oriented industries. Although Japanese exports have risen when measured in depreciated dollars — up 6.7 percent in September from a year earlier — they are markedly down in yen terms, by a similar average of 6.7 percent a month this year.

Hajime Tamura, the minister of international trade and industry, was said to have urged new measures to stimulate domestic demand.

Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
85¾	65	NiaMpf	7.72	10.8		100z	71½	71½	71½	+ ½
19⅛	13	NiagSh	1.75e	13.0		116	13¾	13⅝	13⅝	— ¼
9¾	4	NchAsl n				174	5¼	5	5	
24⅞	12⅜	Nicolet			17	597	15	14⅝	15	
33⅛	20	NICOR	1.80	7.8	9	751	23	22¾	23	+ ⅛
19	9⅞	NoblAf	.12b	1.1		2044	11¼	10¾	11	—1
21⅞	6¾	NordRs			8	603	8¾	8	8½	+ ¼
38¼	21½	NlikSo s	1.20	4.9	32	6178	24¾	23⅞	24½	+1
39⅜	18⅝	Norsk	.57e	2.2		2040	26¾	26⅛	26¼	— ¼
35¾	21½	Norstr	1.40	5.6	8	275	25⅝	24¾	25	+ ⅛
52	46¼	Norstr pf	3.00e	6.4		254	47⅞	47	47	— ⅜
17⅞	5	Nortek s	.10a	1.3	6	636	8	7¼	7⅝	+ ⅜
26¼	15⅜	NEurO	1.80e	10.8	9	146	17½	16⅝	16⅝	— ⅞
28	7½	NestSv	.60	4.3	8	497	14¼	13½	13⅝	— ⅜
38¼	16	NESv pf	2.25	10.6		19	22	21	21¼	— ½
28	18	NoestUt	1.76	8.3	9	1099	21⅜	20⅞	21¼	+ ½
13½	8	NIndPS	.15e	1.6	15	1549	9¼	8⅞	9¼	+ ¼
39⅝	26¼	NoStPw	2.02	6.4	10	2258	32½	30⅝	31¾	+1⅛
64⅝	43	NSPw pf	4.56	8.9		300z	51	51	51	+1½
96¼	67	NSPw pf	6.80	9.2		220z	74	72	74	+4
103⅛	75½	NSPw pf	7.84	9.6		200z	82	82	82	+1
98½	68	NSPw pf	7.00	9.6		10z	73	73	73	+1
24⅛	14	NorTel s	.24	1.4	13	2528	17¾	17	17⅜	+ ⅛
9⅞	3⅞	Nthgat g				149	4¾	4½	4⅝	— ⅜
52⅝	27	Nortrp	1.20	3.9	21	2122	31	30¼	30⅝	— ⅜
26¾	25⅛	NwtP pf	2.50	9.8		24	25½	25¼	25½	— ¼
26¾	24	NwtP pf	2.36	9.6		16	24½	24½	24½	— ⅜
24¼	11⅛	NwSfW	.30e	2.2	19	66	13⅝	13	13⅜	+ ⅜
60½	31¼	Norton	2.00	5.3		528	38¼	37¼	38	—1
48	31⅜	Norwst	1.80	4.9		871	36½	35½	36½	+ ½
42½	17¼	Novo	.41e	1.8	7	721	23	22⅜	22⅜	
49½	29⅛	Nucor	.36	1.0	13	741	35½	34¼	35½	+1
9⅞	9⅛	NuvCal n				197	9⅝	9⅝	9⅝	+ ¼
9¾	8⅝	NuvNY n				503	9⅛	8⅞	9⅛	+ ⅛
10⅛	7	NuvMu n	.08e	.9		1589	9	8¾	9	+ ¼
78⅛	58	Nynex	3.80	5.3	12	5815	72⅛	70⅜	71½	+ ⅜

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12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
2	¾	Oakind				728	1⅛	1	1	
18	7⅝	Oakwd s	.08	1.0	8	98	8⅝	8¼	8⅝	+ ⅜
39⅞	22⅛	OcciPet	2.50	9.7	30	5250	26⅜	25¼	25⅞	— ⅜
127	118½	Occi pf	14.00	11.6		40z	120½	120½	120½	
31½	10⅝	ODECO				431	19¼	19	19⅛	— ⅛
44⅝	17½	Ogden s	1.00	3.6	9	968	27⅜	25¼	27½	+2
23¼	16½	OhioEd	1.96	9.9	8	3579	20	19⅝	19⅞	
49	41	OhEd pf	4.40	10.4		20z	42½	42½	42½	— ⅜
50	34½	OhEd pf	4.44	10.7		100z	41½	41½	41½	+1
80⅞	61	OhEd pf	7.24	11.1		460z	65½	64	65½	+1
83½	62⅛	OhEd pf	7.36	10.8		230z	68	68	68	+2
91⅛	69	OhEd pf	8.20	11.1		300z	74	73½	73⅞	+ ⅜
32⅞	27⅛	OhEd pf	3.50	11.9		12	29⅜	29¼	29⅜	+ ¼
34¾	30	OhEd pr	3.92	12.9		5	30⅜	30¼	30⅜	
22½	19	OhEd pr	1.80	9.5		1	19	19	19	
100	77	OhEd pf	9.12	11.1		1760z	82½	81	82½	+ ½
94½	76½	OhEd pf	8.64	10.9		250z	79	78	79	+1
24⅞	11¼	OhMatr	.48	3.6	15	553	13¼	12¾	13¼	+ ⅜
93	73½	OhP pf	8.04	10.2		280z	79½	78½	79	+1
27⅞	20¼	OhP pfG	2.27	9.8		3	23⅛	23⅛	23⅛	+ ⅜
99¼	68⅛	OhP pfD	7.76	10.1		20z	77	76	77	+1
36⅝	28	OklaGE	2.18	7.2	11	1898	30¼	29⅝	30¼	+ ⅜
11¾	9	OklaG pf	.80	8.1		720z	10	9⅝	9⅝	— ⅜
56⅛	32⅝	Olin	1.60	4.0	13	1170	39⅞	38	39⅞	+ ⅝
11⅜	5⅛	Omncre				399	6⅛	6	6⅛	
22¼	8¼	OnLne s			13	28	10⅜	10⅜	10⅜	— ⅛
19⅛	9⅜	Oneida s	.40	2.9		82	14	13⅝	14	
44	20	ONEOK	2.56	10.4	18	391	24⅞	24⅛	24½	+ ⅜
13⅞	6	OpnhC n	1.35	15.7		370	8⅝	8⅛	8⅝	+ ⅜
12½	5⅝	OrnaCo			9	164	7⅛	6⅞	7	— ⅛
34⅞	25	OranRk	2.22	7.4	10	146	30	29¼	29⅞	+ ⅜
4	1⅜	Orient			3	22	1⅜	1⅜	1⅜	
21¼	13⅝	OrionC	.76	5.1		104	15⅛	15	15	
28¼	16½	OrionC pf	2.12	12.0		34	18	17⅝	17⅝	
19⅝	5½	OrionP			12	524	9	8⅝	8⅝	+ ⅛
12⅞	5¼	Orion pr	.50	6.9		14	7¼	7¼	7¼	+ ⅛
28½	17¼	OutbdM	.64	3.2	15	1670	20	19⅝	20	+1
29½	15	OvShip	.50	2.9	13	115	17¼	17	17⅛	+ ⅛
32⅝	8⅞	OwenC n			7	3121	14¼	13½	13⅝	— ⅜
18⅝	8⅛	OxfdF s	.24	2.4	7	97	10¼	10	10	— ⅛
19	10⅝	Oxford	.50	4.3	12	82	11⅝	11½	11⅝	+ ⅛

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12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
27¼	9¾	PopTal s	.44	3.3	6	380	13¾	13	13½	— ⅛
16⅞	6¼	Portec				18	6⅞	6¾	6⅞	+ ⅛
34½	20¾	PortGC	1.96	8.4	13	444	23¾	22½	23⅝	+1
29½	25	PorG pf	2.60	9.6		363	27¼	26¾	27⅛	— ⅛
41⅝	21	Potlch s	.92	3.3	9	313	28	26¼	27¾	+ ½
88	48	Potlt pf	3.75	6.7		2	56	55	56	+2
27⅞	18	PotmE s	1.30	5.5	11	1689	23⅞	23⅛	23¾	+ ½
49¼	39	PotEl pf	3.37	8.4		460	40⅜	40	40	+ ⅛
31¾	18½	Premrk	.32	1.6		534	20⅜	20	20½	+ ⅜
48¾	28	Premln	.44	1.2	20	34	35¾	35½	35½	
29⅛	18¼	Primrk	1.30	6.5	8	97	20⅛	19¾	19¾	+ ⅜
31	13½	PrimeC			15	5771	17	16	17	+ ¾
60	21	PrimeM	.08b	.3	16	1513	29¼	27	29	+1¾
21¼	12¾	PrmML!	n.54e	10.5		87	14⅞	14¼	14⅝	+ ⅜
53½	23¾	Primco s	1.60	5.6	8	3598	28¾	27	28⅞	+1¼
119½	108	Primc pf	13.75	12.7		5	108	108	108	
103½	60	ProctG	2.70	3.1	37	6442	88¼	84¾	87	+2
21⅞	12⅜	PrdRp	.32	2.4	16	103	13¾	13⅜	13½	— ⅛

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Canada

Imasco

2nd Quar.	1987	1986
Revenue	1,510.	1,440.
Profits	77.0	55.6
Per Share	0.61	0.44
1st Half	1987	1986
Revenue	2,940.	2,810.
Profit	147.2	108.5
Per Share	1.17	0.92

France

Total

1st Half	1987	1986
Revenue	44,450.	55,510.
Profits	1,830.	(a) 909.

a: loss.

Netherlands

KLM

2nd Quar.	1987	1986
Profits	143.0	173.3
Per Share	2.81	3.41

United States

American Standard

3rd Quar.	1987	1986
Revenue	840.1	767.6
Net Inc.	31.2	29.4
Per Share	0.98	0.83
9 Months	1987	1986
Revenue	2,500.	2,230.
Net Inc.	85.8	155.5
Per Share	2.68	4.15

Coors (Adolph)

3rd Quar.	1987	1986
Revenue	432.8	415.0
Net Inc.	20.1	18.8
Per Share	0.55	0.52
9 Months	1987	1986
Revenue	1,060.	1,040.
Net Inc.	44.5	56.3
Per Share	1.22	1.54

Loews

3rd Quar.	1987	1986
Revenue	2,230.	2,090.
Net Inc.	125.4	156.7
Per Share	1.63	1.92
9 Months	1987	1986
Revenue	6,740.	6,260.
Net Inc.	404.7	443.9
Per Share	5.16	5.44

Rockwell Int'l

4th Quar.	1987	1986
Revenue	3,100.	3,300.
Net Inc.	140.0	161.8
Per Share	0.50	0.55
Year	1987	1986
Revenue	12,100.	12,300.
Net Inc.	635.1	611.2
Per Share	2.23	2.83

1987 year net includes gain of $105 million.

Southern

3rd Quar.	1987	1986
Revenue	2,090.	1,990.
Net Inc.	318.1	317.3
Per Share	1.10	1.14
9 Months	1987	1986
Revenue	5,400.	5,240.
Net Inc.	714.3	701.8
Per Share	2.48	2.53

Tyson Foods

4th Quar.	1987	1986
Revenue	502.5	459.9
Net Inc.	18.6	14.6
Per Share	0.29	0.23
Year	1987	1986
Revenue	1,790.	1,500.
Net Inc.	67.8	50.3
Per Share	1.06	0.79

Per share results adjusted for 3-for-2 split in April.

United Brands

3rd Quar.	1987	1986
Revenue	784.1	790.6
Net Inc.	7.37	4.30
Per Share	0.47	0.26
9 Months	1987	1986
Revenue	2,390.	2,460.
Net Inc.	53.5	52.8
Per Share	3.40	3.22

1986 quarter net includes charge of $1.9 million.

X

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
85	50	Xerox	3.00	5.1	12	6273	59	55⅝	58½	+2
58¼	52½	Xerox pf	5.45	10.1		48	54¼	54	54	— ¼
31½	19¾	XTRA	.64	2.8	18	26	23⅛	22¾	22⅞	+ ⅛

Y

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
33⅞	16⅝	Yorkln			9	304	23	22¼	22⅜	+ ⅞

Z

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
7¼	2¼	Zapata				243	3⅜	3¼	3¼	
37	14⅝	Zayre	.40	1.8	8	4344	22½	21¼	22⅛	+ ¾
16¼	9½	Zemex	.40	4.0	6	13	10¼	10	10	— ½
33⅜	10	ZenithE				2284	14¼	13⅞	14¼	+ ⅝
13½	3⅞	ZenLab				1073	4¾	4⅜	4½	— ¼
26½	13½	ZenNtl	.80	4.8	8	166	16¾	16	16⅝	+ ½
20⅜	11⅜	Zero	.36	2.4	14	174	14⅞	14	14¾	+ ⅞
30¾	15	Zurnln s	.68	3.2	14	337	22¾	20⅜	21⅜	+ ¾
10⅝	7⅛	Zweig	.45e	7.4		581	8⅛	8⅛	8½	

NYSE Highs-Lows

NEW HIGHS 2

GaPw 243pf
Wrigley s

NEW LOWS 45

AmBusPrd
Banner Ind
ClubMed
viCookUtd
DynaCp Am
FstChicago p
HandyHar
ItalyFd n
KaisrAl 59pf
PaineWeb pl
SpartonCo
WnUn 490pf
AmHome pl
BritishLnd
Coachmen
Curtiss Wrt
EdisonBros
GenDevl
Highlnco n
KLM Air
KaisrAl 66pf
PlacerDome g
UniFirst
Arkla 3pl
CamrlWt pf
ColSP 345pf
DetE 972pf
Equimrk Cp
GlfSU 385pr
ICM Prop
KaisA 412pl
KaulBdHm
PSInd 852pf
ValeroEn pl
BkBos adl pl
Chemed
Contll adl p
duPnt 450pl
FedMogul
GlfSU 440pr
IowaIll GE
KaisrAl 57pl
Nat Stand
SignalApl s
WellsF adl p

U.S. Futures

Via The Associated Press

Nov. 5

Currency Options

Municipal Bonds (CBT)

$1000 x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
89-11	73	Dec	86	86-24	86	86-12	+14
88	71-17	Mar	84-29	85-9	84-21	84	+14
81-23	70-3	Jun				83-27	+14

Est. Sales 6,000 Prev. Sales 7,612

Prev. Day Open Int. 18,922 off 251

Paris Commodities

Nov. 5

	High	Low	Close Bid	Ask	Ch'ge
SUGAR					
French francs per metric ton					
Dec	1,113	1,105	1,105	1,113	—20
Mar	1,150	1,138	1,145	1,149	—20
May	1,167	1,167	1,167	1,175	Unch.
Aug	1,200	1,200	1,198	1,200	—8
Oct	1,209	1,208	1,200	1,215	—7
Dec	N.T.	N.T.	1,210	1,230	—4

Est. vol.: 1,800 lots of 50 tons. Prev. actual sales: 1,195 lots. Open interest: 24,880

	High	Low	Close Bid	Ask	Ch'ge
COCOA					
French francs per 100 kg					
Dec	N.T.	N.T.	1,090	1,100	—20
Mar	N.T.	N.T.	1,115	1,125	—17
May	N.T.	N.T.	1,130	—	—20
Jly	N.T.	N.T.	1,150	—	—20
Sep	N.T.	N.T.	1,170	—	—20
Dec	N.T.	N.T.	1,190	—	—20
Mar	N.T.	N.T.	1,210	—	—20

Est. vol.: 0 lots of 10 tons. Prev. actual sales: 17 lots. Open interest: 157

	High	Low	Close Bid	Ask	Ch'ge
COFFEE					
French francs per 100 kg					
Nov	1,210	1,195	1,200	1,230	+3
Jan	N.T.	N.T.	—	1,260	—5
Mar	1,290	1,260	1,250	1,260	—40
May	1,285	1,285	1,280	1,290	—37
Jly	1,320	1,320	1,311	1,320	—32
Sep	N.T.	N.T.	1,350	1,370	—22
Nov	N.T.	N.T.	1,360	1,400	—25

Est. vol.: 15 lots of 5 tons. Prev. actual sales: 3 lots. Open interest: 784

Source: Bourse du Commerce.

S&P 100 Index Options

Nov. 4

Strike Price	Calls-Last Nov	Dec	Jan	Feb	Puts-Last Nov	Dec	Jan	Feb
185	—	—	—	—	⅛	3⅛	5½	—
190	—	—	—	—	1⅛	4	7	—
195	—	—	—	—	1⅛	4½	6⅞	—
200	47	—	—	—	1⅝	5⅞	10	—
205	—	—	—	—	2⅛	7	—	—
210	—	—	—	—	2⅝	7⅝	—	—
215	30	—	—	—	3⅛	8½	—	—
220	26	32½	—	—	4⅛	9⅝	15	—
225	23	28	—	—	5⅛	11¼	15½	—
230	21½	24	—	—	6⅛	13	18½	—
235	17	22	—	—	7½	14	20	—
240	13	20	—	—	9	16	24	23
245	9⅞	17	—	—	9⅞	18	24	27
250	7⅞	14	—	—	14	21	18	27
255	5½	11⅞	—	17	17½	22	32	—
260	3⅞	8⅞	14	—	21	27	—	—
265	2⅝	7	—	16	25⅛	27	—	—
270	1⅜	5⅝	9½	—	29⅛	31	—	—
275	1⅛	4⅛	8½	—	30⅛	—	—	—
280	⅞	3⅛	7	—	37	41½	44	—
285	⅝	2⅝	5½	—	44⅝	45⅝	49	—
290	⅜	2	4½	7½	48½	50	56	—
295	¼	1⅛	4½	—	56⅞	55	61⅞	—
300	¼	1⅛	3⅛	1	57½	63	64	—
305	⅛	⅞	2⅛	4	67	65	65	—
310	⅛	⅝	1⅛	—	70	72⅞	70	—
315	⅛	⅜	1	—	75	73	—	—
320	⅛	⅛	1⅛	—	84	82	—	—
325	⅛	⅛	—	—	84	87	—	—
330	⅛	⅛	1⅛	—	90	92	—	—
335	⅛	⅛	1	—	—	—	—	—
340	⅛	⅛	⅛	—	—	—	—	—
345	⅛	⅛	—	—	—	107	—	—
350	⅛	—	—	—	—	—	—	—

Calls: total volume 56,676; total open int. 691,491

Puts: total volume 54,228; total open int. 730,056

S&P 100 index:

High 246.47 low 243.63 close 244.92 —2.65

Source: CBOE.

London Commodities

Nov. 5

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM				
Sterling per metric ton				
Spot	934.00	936.00	973.00	987.00
Forward	896.00	897.00	933.00	935.00
COPPER CATHODES (High Grade)				
Sterling per metric ton				
Spot	1240.00	1250.00	1219.00	1221.00
Forward	1121.00	1123.00	1129.00	1130.00
COPPER CATHODES (Standard)				
Sterling per metric ton				
Spot	1205.00	1215.00	1190.00	1195.00
Forward	1110.00	1115.00	1115.00	1125.00
LEAD				
Sterling per metric ton				
Spot	358.00	359.00	352.00	353.00
Forward	340.00	341.00	336.00	337.00
NICKEL				
Sterling per metric ton				
Spot	3200.00	3210.00	3250.00	3260.00
Forward	3188.00	3190.00	3240.00	3245.00
SILVER				
U.S. cents per troy ounce				
Spot	632.00	635.00	668.00	670.00
Forward	643.00	644.00	682.00	684.00
ZINC (High Grade)				
Sterling per metric ton				
Spot	451.00	452.00	450.00	451.00
Forward	452.00	453.00	451.00	452.00

Source: AP.

London Metals

Nov. 5

	Close Bid	Ask	High	Low	Previous Bid	Ask
SUGAR						
U.S. Dollars per metric ton						
Dec	162.00	163.00	N.T.	N.T.	157.00	158.00
Mar	169.80	170.00	172.00	164.00	164.60	164.80
May	170.60	170.80	172.00	165.20	165.80	166.00
Aug	171.80	172.20	172.60	167.40	167.20	167.80
Oct	173.40	173.60	173.80	168.80	168.80	169.00
Dec	175.00	176.00	N.T.	N.T.	170.00	173.00
Mar	179.00	182.00	N.T.	N.T.	176.00	178.80

Volume: 3,209 lots of 50 tons.

	Close Bid	Ask	High	Low	Previous Bid	Ask
COCOA						
Sterling per metric ton						
Dec	1,086	1,088	1,096	1,084	1,105	1,106
Mar	1,120	1,121	1,130	1,117	1,138	1,139
May	1,142	1,143	1,153	1,140	1,161	1,162
Jul	1,162	1,164	1,172	1,160	1,183	1,186
Sep	1,183	1,184	1,192	1,182	1,204	1,205
Dec	1,207	1,208	1,218	1,205	1,227	1,228
Mar	1,232	1,234	1,242	1,233	1,252	1,253

Volume: 4,447 lots of 10 tons.

	Close Bid	Ask	High	Low	Previous Bid	Ask
COFFEE						
Sterling per metric ton						
Nov	1,205	1,206	1,238	1,200	1,243	1,245
Jan	1,233	1,235	1,271	1,230	1,276	1,277
Mar	1,257	1,260	1,295	1,255	1,300	1,301
May	1,290	1,291	1,322	1,290	1,325	1,326
Jul	1,300	1,310	1,342	1,308	1,344	1,346
Sep	1,330	1,338	1,360	1,345	1,366	1,368
Nov	1,355	1,375	N.T.	N.T.	1,380	1,400

Volume: 4,475 lots of 5 tons.

Dividends

Nov. 5

Company	Per	Amt	Pay	Rec
USUAL				
Coachmen Ind.	Q	.10	12-7	11-16
Energy North Inc	Q	.31	12-15	12-1
Garan Inc	Q	.18	1-4	12-15
Goody Products	Q	.08	1-2	12-15
Gull Inc	A	.05	1-5	12-15
Houserman Inc	Q	.12½	1-4	12-18
Triton Energy	Q	.02½	12-30	12-3

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

Nov. 5

Strike Price	Calls-Settle Nov	Dec	Mar	Puts-Settle Nov	Dec	Mar
57	2.83	2.99	3.14	0.01	0.18	0.67
58	1.83	2.15	3.22	0.07	0.33	0.93
59	0.94	1.45	2.58	0.07	0.62	1.27
60	0.21	0.92	2.03	—	1.09	1.69
61	—	0.58	1.58	—	—	2.23
62	—	0.29	1.24	—	—	—

Est. total vol.: 24,570

Calls: Wed. vol.: 11,173; open int. 161,249

Puts: Wed. vol.: 9,441; open int. 89,249

Source: CME.

Commodity Indexes

	Close	Previous
Moody's	1,006.50 f	1,003.70 f
Reuters	1,641.00	1,651.80
D.J. Futures	127.58	127.78
Com. Research	N.A.	212.12

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Spot Commodities

Nov. 5

Commodity	Today	Prev.
Aluminum, lb	7.825	7.98
Coffee, lb	1.17	1.17
Copper electrolytic, lb	.93-.95	.91-.93
Iron FOB, ton	213.00	213.00
Lead, lb	0.42	0.42
Printcloth, yd	0.80	0.80
Silver, troy oz	6.365	6.68
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	115.-116.	115.-116.
Tin, lb	4.3308	4.3039
Zinc, lb	0.43	0.45

Source: AP.

U.S. Treasuries

Nov. 5

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	5.60	5.66	5.76	5.74
6-month bill	6.02	6.00	6.28	6.35
1-year bill	6.32	6.30	6.73	6.86

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	104 16/32	104 20/32	8.45	8.95

Source: Salomon Brothers.

JVC Lifts Output To 14% Overseas

Reuters

TOKYO — Victor Co. of Japan, known as JVC, said Thursday that 14 percent of its total output is now produced overseas, compared with 9 percent in 1985.

A company spokesman said that in 1985, JVC set a goal to raise overseas output to 20 percent within three years. The company also decided then to reduce the proportion of goods made in Japan for export to 40 percent of the total, from 57 percent.

The spokesman said the decision was made because of the yen's appreciation against the dollar, as well as increasing trade friction and overseas demand. The value of overseas production reached $600 million in fiscal 1987, compared with $450 million the previous year, he said.

BUSINESS ROUNDUP

adbroke Right
nds Very Few

By Warren Getler
International Herald Tribune

LONDON — Shareholders of Ladbroke Group PLC subscribed to only 7.1 percent of the company's 258 million ($445 million) rights issue, leaving millions of unwanted shares to underwriters, the lead underwriter, Charterhouse Bank Ltd., said Thursday.

Ladbroke's issue was part of a recent flood in the British corporate sector to raise funds

Telex Board Offers a Plan To Recapitalize

Reuters

TULSA, Oklahoma — Telex Corp. said Thursday that its board had proposed a recapitalization plan calling for payment of cash and debenture dividends if the pending tender offer for Telex stock by Asher B. Edelman were not promptly consummated.

Telex said the dividends would consist of $45 in cash and $15 in principal amount of a new issue of Telex 15-year junior subordinated debentures for each common share now outstanding.

Telex said the recapitalization plan would be submitted to shareholders at a special meeting in January if the pending Edelman tender offer for all outstanding shares of Telex for cash at $65 per share is not consummated promptly.

Earlier, Mr. Edelman extended his offer to Nov. 9, citing the pending litigation between his group and Telex.

IBM-Hitachi Softw

Compiled by Our Staff From Dispatches

TOKYO — Hitachi Ltd., the Japanese computer giant, is to supply supercomputer software to its U.S. rival, International Business Machines Corp., under an unprecedented cooperative arrangement, the Asahi Shimbun newspaper reported Thursday.

The agreement, expected to be signed shortly, would allow both companies to use programs to develop software. It would mark the first time that IBM, the world's biggest computer company, would receive such information from its rival, the newspaper said.

A spokesman for Hitachi said the report was "basically correct" but declined to elaborate.

In 1982, the U.S. authorities charged officials from Hitachi and another Japanese computer maker, Mitsubishi Electric Corp., with conspiring to steal proprietary technical data for IBM's mainframe computers. A year later,

Weaker U.S. Econ

But So Far, Major Newsp

Reuters

NEW YORK — A softer economy in 1988 could cut deeply into newspaper advertising growth rates, but so far companies have no plans to trim their budgets, media analysts and industry executives said.

"It's too early to tell, but if the economy does turn down, unquestionably the advertising environment will be affected," said Peter Falco, an analyst for Merrill Lynch & Co.

Analysts said that advertising at major newspapers was steady and that they did not see fourth-quarter ads reflecting a downturn from weaker consumer confidence.

Last year, U.S. companies spent some $102.1 billion on media advertising, not including promotions, and this year it is estimated they will spend $109.8 billion.

Media analysts said that if the turmoil in the stock market did trigger an economic downturn, corporate advertising expenditures would probably shrink.

They said that consumer advertising could fall because of weak consumer spending and that classified advertising might also shrink as companies scale down recruiting.

"If the economy softens, total newspaper advertising may grow at 7 percent in 1988, versus about 7 percent in 1987," Mr. Falco said.

Media executives and analysts said the fear of a recession had made retailers more cautious about managing their inventories.

They said that if retailers man-

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BUSINESS ROUNDUP

Ladbroke Rights Issue Finds Very Few Takers

By Warren Getler
International Herald Tribune

LONDON — Shareholders in Ladbroke Group PLC subscribed to a mere 2.4 percent of the company's £256 million ($448 million) rights issue, leaving millions of unwanted shares to underwriters, the lead underwriter, Charterhouse Bank Ltd., said Thursday.

Ladbroke's issue was part of a broader effort by the British property conglomerate to raise funds for its recent £645 million acquisition of Hilton International Co. from Allegis Corp.

The Ladbroke issue of 70.4 million new ordinary shares was the largest rights issue to come to the London Stock Exchange since the stock market began its steep decline. But it was just one of several new issues that have flopped here in recent weeks.

"Rights issues this year had reached a massive level, around £16 billion worth, or twice the level last year," said Bob Semple, an analyst with the brokerage firm Wood Mackenzie & Co. "Now with a depressed market, and with institutions stretched for cash, it will be difficult to encourage institutions to take up new issues."

The weakness of the London Stock Exchange had pushed Ladbroke's shares well below the offer price, set Sept. 28, of 378 pence each. Ladbroke's shares closed Thursday at 298 pence, down 16 pence.

Of the 70.4 million new shares offered, only 1.685 million had been purchased when the issue closed at 3 P.M. Wednesday, Charterhouse said Thursday.

Charterhouse was the only underwriter for the issue, but more than 100 institutional investors had agreed to act as sub-underwriters.

Because of such flops, analysts said, underwriters and sub-underwriters will be forced to honor their commitments and take a paper loss. They may also be forced to sell parts of their stock portfolios to absorb surplus shares from the unsuccessful rights issues.

A similar fate met the government's issue of £7.2 billion in British Petroleum Co. shares last week. The 250,000 applications for shares fell well short of the 5 million subscribers expected before the market crisis began.

Telex Board Offers a Plan To Recapitalize

Reuters

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Telex said the recapitalization plan would be submitted to its stockholders at a special meeting in January if the pending Edelman tender offer "for all outstanding shares of Telex for cash at $65 per share is not consummated promptly."

Earlier, Mr. Edelman extended his offer to Nov. 9, citing the pending litigation between his group and Telex.

Bonn's Proposal To Sell VW Stake Is Postponed

Reuters

BONN — The West German government's planned sale of its 16 percent stake in Volkswagen AG has been postponed, and no new date for the privatization has been set, the Finance Ministry said Thursday.

A spokesman gave no further details. VW's share price has lost more than a quarter of its value since the stock market turmoil began several weeks ago.

According to bankers, the provisional date privatization of the government's 4.8 million VW shares had been Nov. 9. They noted, however, that this target had grown more unlikely as the stock price fell.

Separately, a fugitive West German currency broker sought in connection with a huge swindle in VW's foreign-exchange department has been arrested in California, the Federal Crime Office in Wiesbaden said.

It said the broker, Joachim Schmidt, 38, was arrested in Hollywood on a German warrant accusing him of defrauding VW out of 480 million Deutsche marks ($285 million at current rates).

BUSINESS PEOPLE

4 Named to U.S. Panel To Study Market Crisis

International Herald Tribune

President Ronald Reagan has appointed four executives, each apparently selected to represent a different sector of the investment community, to the task force he created two weeks ago to study the turmoil in the financial markets, The New York Times reports.

The panel is headed by Nicholas F. Brady, chairman of the Wall Street firm Dillon, Read & Co. and a former U.S. senator from New Jersey. The other members are James C. Cotting, chairman and chief executive of Navistar International Corp.; Robert G. Kirby, chairman of Capital Guardian Trust Co.; Howard M. Stein, chairman and chief executive of Dreyfus Corp., and John R. Opel, former chairman of International Business Machines Corp.

Prof. Robert Glauber of Harvard University was named executive director of the panel, formally known as the Task Force on Market Mechanisms. He will be responsible for coordinating day-to-day operations.

Rio Algom Ltd., a Toronto-based mining subsidiary of Britain's RTZ Corp., formerly Rio Tinto-Zinc Corp., has ousted its chief, George R. Albino, The New York Times reported. A spokesman said Mr. Albino, 59, "has ceased to hold the office of chairman and chief executive." Ross J. Turner, 57, a director, was named chairman. Analysts said Rio Algom recently started up tin and potash mines shortly before the market for both collapsed.

General Dynamics Corp., the St. Louis, Missouri-based military contractor, has promoted Herbert F. Rogers to president and chief operating officer. Mr. Rogers, 62, had been executive vice president for aerospace since January. He succeeds Oliver C. Boileau, 60, who is retiring.

Exxon Corp. of New York, the world's largest oil company, has promoted William D. Stevens to president of Exxon Co. U.S.A. Mr. Stevens, 53, had been an executive vice president. He succeeds Randall Meyer, who will reach the mandatory retirement age of 65 on Jan. 19.

DSM NV, the Dutch industrial chemicals group, has promoted F.J.A.M. Pistorius to secretary effective Feb. 1. Mr. Pistorius, 39, is now controller of the plastic products division. He will succeed E.M. Akkerman, 59, secretary for the past 13 years, who is taking early retirement. Mr. Pistorius was director and chairman of St. Amadal Hospital at Maastricht before joining DSM last year.

Minnesota Mining & Manufacturing Co. has promoted Raymond C. Richelsen to chairman and managing director of 3M France. Mr. Richelsen, 45, an American, had been vice president for traffic control. He succeeds Russell McNaughton, 53, who is returning to the United States as vice president of the electric products division.

Renault U.S.A. Names President

Reuters

DETROIT — Renault U.S.A. Inc., a subsidiary of the state-owned French auto group Renault, named Bernard Vernoux as president of the Detroit-based operation on Thursday.

Mr. Vernoux, 53, was head of Renault's South African subsidiary Euromotors. He will oversee 40 employees in an enterprise that principally acts as a supplier of cars and parts to Chrysler Corp.

Renault largely withdrew from a direct presence in the U.S. market this year by selling its controlling interest in American Motors Corp. to Chrysler.

Penney Says It Discusses Sale Of Belgian Unit to GB-Inno

By Jacques Neher
Special to the Herald Tribune

PARIS — J.C. Penney Co. said Thursday that it is involved in talks to sell a "substantial" interest in its Belgian retailing business to GB-Inno-BM SA, Belgium's largest retailer.

The operations, grouped under Sarma Penney Ltd. in Brussels, include Sarma and Sarma Star supermarkets, Sarma Lux and New Shop apparel stores and the Nopri franchise chain of supermarkets.

In 1986, the group employed 3,700 people and had sales of 27 billion Belgian francs ($756 million). Penney, based in New York, was the third-largest retailer in the United States in 1986 with sales of $14.5 billion.

GB-Inno, with 28,000 employees at 300 stores in Belgium, reported 1986 sales of 115 billion francs, representing 8 percent of that country's total retail sales. It reported consolidated profits of 1.5 billion francs.

Thomas Fox, vice president and director of European operations for Penney, said the talks represent "an evolving policy" by Penney to concentrate its resources on the U.S. market.

He said the Belgian operations, Penney's only foreign retailing business, lost money in 1984 and 1985 as the company underwent a repositioning.

In the past five years, the operation has suffered from a decline in consumer purchasing power and from Dutch and West German competition at the low end of the market, Mr. Fox said.

François Vaxelaire, president of GB-Inno, said that if the negotiations succeed, the Sarma and Nopri businesses would remain independent of GB-Inno's other retail interests.

IBM-Hitachi Software Venture Is Reported

Compiled by Our Staff From Dispatches

TOKYO — Hitachi Ltd., the Japanese computer giant, is to supply supercomputer software to its U.S. rival, International Business Machines Corp., under an unprecedented cooperative arrangement, the Asahi Shimbun newspaper reported Thursday.

The agreement, expected to be signed shortly, would allow both companies to use programs to develop software. It would mark the first time that IBM, the world's biggest computer company, would receive such information from its rival, the newspaper said.

A spokesman for Hitachi said the report was "basically correct" but declined to elaborate.

In 1982, the U.S. authorities charged officials from Hitachi and another Japanese computer maker, Mitsubishi Electric Corp., with conspiring to steal proprietary technical data for IBM's mainframe computers. A year later, IBM and Hitachi reached an agreement under which Hitachi made monthly payments of $3 million to $6 million for use of IBM-developed technology as well as a lump-sum payment of around $300 million. That agreement was modified last November.

The newspaper report said that IBM and Hitachi had already set up a joint team of engineers to study the exchange of programming information and data.

Hitachi is one of Japan's two manufacturers of supercomputers. The other is Fujitsu Ltd.

Separately, IBM said Wednesday that it had reduced its worldwide employment by about 4 percent since the beginning of 1986.

In presentations to analysts, IBM executives painted a picture of a company that had drastically trimmed down, reorganized and revamped virtually all of its product lines.

Next year, said Frank A. Metz Jr., the company's chief financial officer, profits could grow with only an increase of 4 to 6 percent in revenue. Two years ago, the company needed its revenue to grow 13 to 15 percent in order to raise its earnings.

John F. Akers, IBM's chairman, also predicted that "we should return this company to operating margins in the range of 20 percent," the strongest indication yet that IBM now believes its three-year slump is ending.

Mr. Akers gave no timetable for when IBM would reach its goal, a critical step if the company is to reap the kind of profits that fueled its growth in the early 1980s. But analysts who attended his speech said that they did not expect to see 20 percent margins until 1989 at the earliest. IBM exceeded 20 percent margins in the early 1980s.

(AFP, NYT)

Weaker U.S. Economy Could Mean Slower Ad Growth

But So Far, Major Newspapers Say They Haven't Felt Any Pinch

Reuters

NEW YORK — A softer economy in 1988 could cut deeply into newspaper advertising growth rates, but so far companies have no plans to trim their budgets, media analysts and industry executives said.

"It's too early to tell, but if the economy does turn down, unquestionably the advertising environment will be affected," said Peter Falco, an analyst for Merrill Lynch & Co.

Analysts said that advertising at major newspapers was steady and that they did not see fourth-quarter rates reflecting a downturn from weaker consumer confidence.

Last year, U.S. companies spent about $102.1 billion on media advertising, not including promotions, and this year it is estimated they will spend $109.8 billion.

Media analysts said that if the turmoil in the stock market did presage an economic downturn, corporate advertising expenditures would probably shrink.

They said that consumer advertising could fall because of weak consumer spending and that classified advertising might also shrink as companies scale down recruitment.

"If the economy softens, total newspaper advertising may grow at 3 percent in 1988, versus about 7 percent in 1987," Mr. Falco said.

Media executives and analysts said the fear of a recession had made retailers more cautious about managing their inventories.

They said that if retailers managed inventories well this time, they might not have to advertise as heavily to move goods.

"General retail ads in newspapers are certainly tied to the level of retail sales," Mr. Falco said, "and my guess is that cutbacks in retail ads would either lag or be contemporaneous with a downturn in retail sales."

But analysts said that at this point there was no evidence of cutbacks by companies on advertising expenditures or commitments.

"No clients have pulled any advertising budgets, and the media has not turned to us in dismay that certain companies have dropped advertising plans," said Leo Sullin, director of print and new electronic media for Young & Rubicam Inc., the advertising agency.

Indeed, analysts said that in the short term, lower retail sales might be a boon for newspaper advertising space.

"We've been told by major retail advertisers that if the public reaction to the crash seems to be a falloff of buying during the Christmas season, they will be promotionally aggressive during Christmas because they have inventories to move," said Robert Holzkamp, vice president of advertising for the Tribune Co., owner of The Chicago Tribune.

Media executives and analysts also said they expected fourth-quarter advertising to be strong, buoyed by Christmas promotional activity and by advertising space already sold.

Analysts also said any decline in retail and classified advertisements next year could be offset by increased political and Olympics-related advertising.

Towers and Ex-Navy Chief Leading a Bid for Pan Am

Reuters

NEW YORK — Towers Financial Corp. and John F. Lehman Jr., a former secretary of the U.S. Navy, are leading a group of investors who are buying Pan Am Corp. stock and talking with management and unions about restructuring the company, Steven Hoffenberg, the Towers chairman, said Thursday.

"Towers Financial does own Pan Am stock," Mr. Hoffenberg said, but he would not disclose how much. "We are buying continuously because we are confident our restructuring plan will cause the company to become profitable and restore its leadership role."

Pan Am's stock closed at $3.75 a share Thursday on the New York Stock Exchange, up 12.5 cents for the day.

Mr. Hoffenberg said that the discussions with Pan Am executives, including C. Edward Acker, Pan Am's chairman, had been friendly. He said talks had taken place between Mr. Lehman and four of the five unions representing workers at Pan American World Airways, the parent company's airline.

The Lehman-Towers group, which has not made a formal bid, is competing with a group led by the investor Kirk Kerkorian, which is close to proposing a restructuring, officials said.

Support of the unions is considered crucial to any bid to restructure Pan Am. Union leaders said Tuesday that they had tentatively agreed to back Mr. Kerkorian's proposal, which calls for a spinoff of the airline from the parent and concessions by the unions.

Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
		A								
13½	4	ABI n			9	24	7⅛	7⅛	7⅛	+ ⅛
10⅝	4¾	ABM G n				286	6	5⅞	6	
5⅝	3⅝	AL Labs s	.12	1.5	13	86	7⅝	7⅝	7⅝	− ⅛
13¾	4½	AMC s	.10	2.1		48	4¾	4⅝	4¾	− ⅛
4½	2¼	AOI	.05e	1.7	22	10	2⅞	2⅞	2⅞	+ ⅛
6¼	1⅝	ARC g				143	1⅝	1⅝	1⅝	+ ⅛
31⅞	6⅝	AT&E				634	8⅞	8½	8½	− ⅛
3½	⅞	ATTCr wi				116	1⅜	1	1⅜	+ ⅛
44½	30¼	ATT Pd	2.04e	5.2		69	39½	38⅞	39½	+ ½
15¼	5⅝	Abimd n				3	7⅝	7⅝	7⅝	− ⅛
9⅝	3⅝	AcmeP				47	2⅞	2⅝	2⅞	+ ⅛
9¼	6⅛	AcmeU	.12e	1.8		4	6⅛	6⅛	6⅛	− ⅛
9⅝	3⅝	Action	.12i		21	24	4⅛	4⅛	4⅛	− ⅛
24½	7½	Action s				8	13⅝	13	13⅝	+ ⅝
4½	1⅛	AdmRs			15	3	2⅝	2	2	
18¾	4⅝	AdRel El			.30	255	10	9½	10	+ ⅛
43	11⅝	AdRusl			288	1	40½	39½	40½	+1⅛
		AdRus rt				194		1⅝	1⅝	
19⅝	8½	AirExp			10	197	13½	11½	13	+1
18⅝	10	Aircon n	.40e	2.7		68	15⅝	14	14⅝	+ ⅛
⅝	¼	Alamco				8	⅜	⅜	⅜	− ⅛
10⅝	5½	AlbaW			8	104	6⅝	5⅝	5⅝	− ⅛
16⅝	3	Allin s				90	4⅛	3⅝	4	− ⅛
12⅝	4½	Allet n	1.28	20.1		237	7	6⅝	6⅞	+ ⅛
11⅝	4	Alphain				187	4⅞	4⅝	4⅞	− ⅛
21½	5¼	AlphaGr				52	7⅝	7⅝	7⅝	− ⅛
⅝	⅛	Altex n				92	¼	⅜	⅜	− ⅛
51¼	36½	Alcoa pf	3.75	9.0		100z	42	41½	41½	−1
25⅝	16	Alza			1.27	2470	25⅝	24¼	25⅝	+ ⅝
5⅝	3⅝	AmBrit	.08	1.9	14	16	4½	4½	4½	+ ⅛
50½	19⅛	Amdahl	.20	.7	13	10120	30⅝	28½	29⅝	+ ⅝
17⅝	7	AmBill	.15	1.5	8	8	8	8⅝	8⅝	+ ⅛
31½	17½	AmCobl			9	757	40⅝	39⅝	40⅝	+1
5⅝	2¼	AmCap				75	3⅛	3	3⅛	+ ⅛
27	22	ACap pf				4	22½	22½	22½	+ ⅛
5	⅝	AExFF wt				366	1⅝	1⅛	1⅝	+ ⅝
15⅝	5¼	APruc A			7	329	7⅝	7¼	7¼	− ⅝
14⅝	4⅝	APruc B			6	4	6½	6½	6½	
4½	1	AHlthM				218	1¼	1	1⅛	
20⅝	19¼	AmIPro n				8	19⅝	19¼	19¼	− ⅝
22	14½	Ailsrael	.31e	1.4	8	10	22½	22	22	− ⅝
13⅝	3⅝	AmLnd				5	4⅝	4⅝	4⅝	− ⅛
14	6⅝	AmList			11	10	7⅝	7⅝	7⅝	+ ⅛
26⅝	10½	AMgeA	.82	3.9	6	59	12⅝	12⅝	12⅝	− ⅛
5⅝	1⅝	AMBid				186	2	1⅞	1⅞	− ⅛
10½	4½	AmOil				197	7⅝	6⅝	6⅞	+ ⅛
75	40	APatt	.30e	.6	9	52	53⅛	52⅝	53⅛	+ ⅛
16⅝	7½	APrec	.20	1.5	49	31	13⅝	13⅝	13⅝	
9⅝	3⅛	AmRity	2.68e	13.9	9	69	4⅝	4	4⅝	+ ⅛
10⅝	7⅝	ASegir n			7	9	9	9	9	+ ⅛
10½	5⅛	AmRoyl	1.71e	22.1	4	10	7⅝	7⅝	7⅝	− ⅛
5⅝	1⅝	ASCE			144	19	3	2⅞	2⅞	− ⅛
⅝	⅛	ASci wt				11	⅜	⅜	⅜	
10⅝	6⅝	ASwM n				45	9	8⅝	9	+ ⅛
5⅝	2	ATechC			10	126	2½	2⅛	2½	+ ⅛
7⅝	3	Amhlth				15	3⅝	3⅝	3⅝	
27⅝	16½	A-cap pr	.71	3.7		16	19⅛	19⅛	19⅛	
5½	1½	A-cap sc				133	2	1⅞	2	
70	63	A-ghe pr	3.29	5.7		5	57½	57½	57½	+ ⅛
26	8	A-ohs sc				14	10⅝	10	10⅝	+ ⅛
23⅝	18⅝	A-alt2 pr	1.15	5.4		156	21⅝	21	21⅝	
14⅝	4	A-alt2 sc				136	6⅝	7⅝	6⅝	+ ⅝
68½	47	A-an pr	3.25	6.0		49z	54	54	54	−1⅝
10⅝	4	A-an sc				64	12	11½	12	− ⅛
78½	58	A-orc pr	3.95	6.1		9	65	64	65	−1
23⅝	8⅝	A-orc sc				31	12½	11⅝	12½	+ ⅛
75½	58	A-bmy pr	2.75	4.0		9	68	68	68	
18⅝	13½	A-bmy sc				26	18½	17	18½	+1
82	24	A-chv pr	2.25	6.5		54	34⅝	34	34⅝	
17½	3⅛	A-chv sc				35	7½	7⅝	7⅝	+ ⅛
9½	4	A-ko sc				143	13	11⅝	13⅝	+ ½
59½	41	A-dow pr	2.15	3.6		34	59	59⅛	59	+2
44½	16	A-dow sc				59	21	18	21	+2
129⅝	82	A-dd un	3.25	3.7		3	90⅝	90⅝	90⅝	− ½
49⅝	18¼	A-dd sc				80	21½	20½	20½	− ½
40⅝	5	A-gm sc				8	25½	24½	25½	
27	22	A-gle pr	2.47	7.5		213	32⅝	32	32⅝	+ ⅛
13	3⅝	A-gle sc				181	6⅝	5⅝	6½	+ ⅛
131½	81	A-ge un	2.80	2.6		108	90½	88	90½	+5¼
69	64	A-ge pr	5.39	8.6		22	68½	68	68	− ½
49	20½	A-ge sc				99	24½	21⅝	24½	+2¼
99	36½	A-gm un	4.95	5.2		100z	60⅝	60⅝	60⅝	+4½
71⅝	45½	A-gm sr	4.98	7.3		349z	52⅝	52	52	− ⅛
28	4	A-gm sc				602	8½	8⅛	8⅛	− ⅛
67	52	A-gh pr	2.47	4.6		14	55½	54⅝	54⅝	−1⅝

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
		B								
11⅝	6⅛	BAT	.27e	3.4	10	4509	8	7½	7⅝	+ ⅛
36½	17¼	BDM s	.14	.7	14	148	21⅝	21⅛	21⅛	− ⅝
20⅝	14⅝	BBT	2.20	13.9	8	33	15⅝	15⅝	15⅝	+ ⅛
5⅝	2⅛	BSD				37	3	2⅞	3	− ⅛
20½	7⅝	BSN s	1.65i	20.0	15	132	8⅛	8⅛	8⅛	− ⅛
24½	12	Badger	.55	4.1	3	13	13½	13½	13½	+ ⅝
11⅝	7⅝	BaldwS	.22e	3.6	13	16	6	5⅞	6	+ ⅛
15½	7½	Bloomin n	.08e	.6	8	43	9⅛	9⅛	9⅛	+ ⅛
11⅝	4	BambP s			6	91	5⅝	5⅝	5⅝	
30	19⅝	BanFd	2.15e	10.2		5	21	21	21	+ ⅝
10⅝	5⅛	Barclyn			1	1	6⅝	6⅝	6⅝	
13⅝	4⅝	BnkBld	.40	8.2	5	32	4⅝	4⅝	4⅝	+ ⅛
14⅝	5	Barnwr				5	7⅛	7⅛	7⅛	
10½	4⅝	Barster			14	85	5⅝	5½	5½	− ⅛
10½	5	BarryRG			7	22	6⅝	6⅝	6⅝	+ ⅛
8⅝	4⅝	Baruch				26	4⅝	4⅝	4⅝	
18½	6	Beard			8	10	9⅝	9⅝	9⅝	
8	5	BeldBlk	.20e	5.1		113	5	5⅝	5⅝	+ ½
9⅝	4⅝	Belvdr n	.01e	.2		13	4⅝	4⅝	4⅝	+ ⅛
27½	14⅝	BergBr	.32	2.0	13	194	15⅝	15⅝	15⅝	− ⅛
6⅝	2	BermSt n			10	28	2⅝	2⅝	2⅝	
6⅝	3	BethCo				10	3	3	3	
10⅝	5⅛	BioCr	.72	2.9	12	107	25⅝	24⅝	25⅝	− ⅛
32⅝	11⅝	BioR A			18	86	14⅝	14	14	
5⅝	2⅝	Bisch s			3	30	3⅛	3⅛	3⅛	+ ⅛
31	17½	Blessg	.40	2.0	7	17	20⅝	19⅝	20⅝	− ½
21⅝	13⅝	BlountA	.45	3.7	22	57	12⅝	12⅝	12⅝	
11⅝	8½	Boddie n	.40e	4.1		46	10⅝	10⅝	10⅝	
26½	9⅝	BirPh s			26	336	18½	17½	18⅛	+ ⅛
16⅝	8	BowVal	.10e			5	10⅝	10⅝	10⅝	+ ⅛
34⅝	11⅝	Bowmr				18	14⅝	13⅝	14⅝	
24⅝	10⅝	Bowne s	.25	2.1	9	139z	12	11	11⅝	− ⅛
31⅝	17⅝	BrsnG				121	19½	18⅝	19⅛	+ ⅛
49⅝	31½	BrnFA s	1.12	3.8	11	37	30⅝	29⅝	30⅝	+ ⅛
55⅝	26⅝	BrnFB s	1.12	3.5	11	149	34⅝	32⅝	34½	+2
6⅛	4½	BrnFpf	.40	8.5		10	5	5	5	+ ⅛
17½	15⅝	BurnAm			7	13z	15⅝	15⅝	15⅝	− ⅜
21½	12⅝	BurnPP	1.16	7.0		12	16⅝	16⅝	16⅝	+ ⅛
33⅝	9⅝	Bush s			10	30	16	15½	16	+ ⅛
		C								
25⅝	13⅛	CDI s				12	15⅝	15⅛	15⅛	
6	1⅝	CMI Co				206	2⅝	2½	2½	
5⅝	3⅝	CMX Co			13	19	3⅝	3⅝	3⅝	+ ⅛
14	6	CSS			20	8	7⅝	7⅝	7⅝	+ ⅝
22½	16	Cadiz n				19z	21½	19⅝	21½	+2
13⅝	10⅝	CaesNJ			11	36	12½	12	12⅝	+ ⅛
17⅝	12⅝	CapieA			3	67	4½	4½	4½	− ⅛
27	13⅝	ColBy s	.92i	5.7		27	16⅝	16⅝	16⅝	
14½	5⅝	Calprod	.90i	13.6	7	9	6⅝	6½	6⅝	+ ⅛
17⅝	9½	CMarc s	.36	2.4		18	11	10⅝	10⅝	− ⅛
18⅝	8	CdnOil s	.40		19	12	8	7⅝	8	+ ⅛
28½	9⅝	CWineA			14	44	10⅝	10	10⅝	
14⅝	6	CWineB			14	25	10¼	9⅝	10	− ⅛
17⅝	8½	CastlFd			10	40	13⅝	13½	13⅝	+ ⅛
9⅝	1⅝	Cardis			1	47	1½	1½	1½	
25⅝	11⅝	CareE s			1	20	12	12	12	
4½	1⅛	CareE A	.06e	3.6	1	10	1⅝	1⅝	1⅝	
6⅝	3⅝	Carmel	.36b	6.8	6	10	6	6	6	
17½	8⅝	CarnCr n			7	136z	9⅝	9⅝	9⅝	− ⅛
64	51½	CarGP pf	5.00	9.2		2	54½	54½	54½	+ ⅛
8⅝	3⅝	Casblan	.22i	8.3	9	80	3⅝	3⅝	3⅝	
16⅝	10½	CahAm				130	14⅝	14⅝	14⅝	+ ⅝
29	20	CasPd	2.20	9.8		36	22⅝	21½	22⅝	+ ⅛
7⅝	3⅝	CentG n				14	4⅝	4⅝	4⅝	+ ⅛
6⅝	3⅝	CFCda				628	5¼	5	5⅛	− ⅛

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
1⅛	⅝	CFCd wt				70	⅝	⅝	⅝	
15⅝	10⅝	CFCd un				30	11	10⅝	10⅝	− ⅛
12⅝	9⅝	CentSt	2.17e	21.2		33	10⅝	10⅝	10⅝	− ⅛
11⅝	6½	Centvst	1.25e	16.4	12	2	7⅝	7⅝	7⅝	+ ⅛
12⅝	6⅝	Cenisl pf	.25e	4.2		7	7½	7½	7½	+ ⅛
6⅝	3⅝	Celec	.20	4.2	16	8	4⅝	4⅝	4⅝	− ⅛
44⅝	13⅝	ChDevB			20	24	26	25½	25½	
45½	12⅝	ChDevA			30	169	26	25⅛	26	+ ⅛
10	2⅝	ChemEn n				44	3⅝	3⅝	3⅝	+ ⅛
41	16	ChmpP s	.40	1.2	17	85	33	32⅝	32⅝	
8½	3	Cherisl n	.24e	6.0	8	5	4	4	4	
29⅝	17⅝	ChiMdA	.24	.8	18	992	29¼	28⅛	29¼	+ ⅛
37	17⅝	ChiMdB	.24	.8	17	4	28½	28½	28½	+ ½
10⅝	3½	ChiPw n	.08e	1.9		34	4⅛	4	4½	+ ⅛
23⅛	16⅝	ChiRv	1.20	7.2	16	96	17	16⅝	16⅝	− ⅛
12½	5⅝	ChiDvG				21	6½	6½	6½	− ⅛
12½	6⅝	ChiDvwt				22	7½	7½	7½	− ⅝
35½	30½	ChiTD pf	4.00			100z	31	31	31	−2
66⅝	30	Citadel			5	206	36	33⅝	35⅝	+2
4	⅝	CltiWlM				90	1⅛	1⅛	1⅛	
4	1⅝	CltiWtY				50	1⅝	1⅝	1⅝	− ⅛
27⅝	12½	CitzFsI	.60b	3.4	10	56	17⅝	17½	17⅝	+ ⅛
21⅛	12½	ChyGos s	.50	4.0	11	22	12½	12½	12½	
21⅛	11½	Clabr pf	3.31	23.6		101	14⅝	13⅝	14	− ⅛
2	⅛	Clifbr				70	⅛	⅛	⅛	
67½	41⅝	Clorox!	2.20e	4.8		15	45⅝	45⅝	45⅝	
22⅝	8⅝	ClarkC	.30e	2.3	11	31	13	12⅝	13	+ ⅝
16⅝	9⅝	ClearCh	1.50f	13.3	20	2	11⅛	11⅛	11⅛	− ⅛
4⅝	4⅝	CoastR			12	29	5	4⅝	5	
8⅝	1⅝	Coastly				5	2⅝	2⅝	2⅝	− ⅛
9⅝	5	Cohu	.20	2.9	13	43	7	6⅝	7	+ ⅛
22½	3½	ColorSv				54	3⅝	3⅛	3⅝	+ ⅛
15	6⅝	ColPr n				18	7⅝	7½	7⅝	+ ½
6⅝	2	ComFds	.25	3.4	7	744	7½	6⅝	7⅝	+ ⅛
27⅝	8½	Comlnc				51	9⅝	9⅝	9⅝	+ ⅛
10⅝	2½	Comtrn			10	52	2½	2⅝	2⅝	− ⅛
11⅝	2⅝	CmpCn			12	424	3½	3⅛	3⅛	− ⅛
17	7	Compltk	.16	1.5	20	25	10⅝	10½	10½	
11⅝	1⅛	CmpHr	.07i	2.1	8	75	3⅝	3⅝	3⅝	
13	6⅝	ComcFf			9	3	8½	8½	8½	+ ⅛
17	11	Conniy			17	6	13⅝	13⅝	13⅝	+ ⅛
6⅝	2½	Consol				3424	3	2⅝	3	+ ⅛
2	⅝	ConsvWP				58	⅝	⅝	⅝	− ⅛
6½	3⅝	Consgn				15	4⅛	4	4	
3⅝	4⅝	ContGr n				225	1⅝	1½	1⅝	
37⅝	12½	ContMil			244	17	14⅝	14⅝	14⅝	
5⅝	1⅝	Convsl				3	2	2	2	− ⅛
10⅝	3½	Copelc n				5	5⅛	5⅛	5⅛	
22⅝	14⅝	Copley	1.68	9.9	14	17	17	16⅝	17	
4⅝	1⅝	CosmCr			188	76	1⅝	1⅝	1⅝	
8½	4	Courtld	.16e	2.7	13	4	5⅝	5⅝	5⅝	+ ⅛
11⅝	7⅝	Cross s	.84b	8.6	15	129	9⅝	9½	9⅝	+ ⅛
44½	25½	CrowlM	1.00	2.9	12	3	25⅝	25⅝	25⅝	+ ⅛
19⅝	11⅝	CrnCP				120	12⅝	11⅝	12	+ ⅛
28⅝	19	CwCrPD	2.25	11.9		13	19⅝	18⅝	18⅝	− ½
38⅝	3⅝	CwnCr s			11	75	17	16½	16⅝	+ ⅛
22½	12	Cubic	.20	2.3	13	65	17	16½	16½	+ ⅛
41⅝	28⅝	Curtice	1.04	3.2	12	48	32½	31⅝	32½	− ⅛
2⅝	½	Custmdx				23	2⅝	1⅝	1⅝	+ ⅛
10⅝	5⅝	CyprFd				299	6⅝	5⅝	6⅛	+ ⅛
		D								
3⅝	⅞	DI Ind				67	1⅛	1⅛	1⅛	
7⅝	2⅝	DWG			9	410	4⅝	4⅝	4⅝	+ ⅛
8½	4⅝	DamCr				6	6	6	6	
10⅝	3⅝	DamEA				28	⅛	⅛	⅛	
7⅝	3	DamEB				58	1	1	1	
8½	1½	Damson				845	⅝	⅝	⅝	+ ⅛
8½	2½	Dams pf				10	2½	2½	2½	− ⅛
8⅝	2⅝	Dams pl				10	2½	2½	2½	
16⅝	6⅝	DtArch n			10	183	7⅝	7⅝	7⅝	+ ⅛
17⅝	5⅝	Dataex			17	51	8½	8	8	− ⅛
6⅝	2⅝	DataPd	.16	1.8		142	9	8⅝	8⅞	+ ⅛
4⅝	2⅝	DataStr			22	97	2⅝	2⅝	2⅝	
2	⅝	GEC wtY				411	2⅝	2⅝	2⅝	+ ⅛
4⅝	1⅝	GEC wtM				111	1⅝	1⅝	1⅝	
3⅝	1½	GnEmp				10	2⅛	2	2⅛	+ ⅛
14⅝	7⅝	GnMot	.05i		17	10	7⅝	7⅝	7⅝	− ⅛
16⅝	6⅝	GnvDs			19	64	10⅝	9⅝	10⅝	+ ⅛
17⅝	11	GeoRes			10	84	12	11⅝	12	+ ⅛
6⅝	3	GeoR wt				10	3⅝	3⅝	3⅝	+ ⅛
13½	9⅝	GeoRs pf	1.00	10.0		6	10	10	10	+ ⅛
29⅝	8⅝	GlenIF	.64	2.0	20	409	32⅝	29⅝	32⅝	+2⅝
26½	12⅝	GnlYlg				214	14½	13⅝	14⅝	− ⅛
37⅝	23½	GlaFil s	.84	2.1	15	182	36⅝	36	36½	− ⅝
30⅝	18⅝	Glnnr	1.00	4.2		54	25	23½	23⅝	+2⅝
6	4⅝	GldNR				8	⅝	⅝	⅝	
1⅝	⅝	GldFld				61	⅝	⅝	⅝	
10⅝	4⅝	Graham			9	20	5⅝	5⅝	5⅝	+ ⅝
11½	7½	GrahMc				299	8	7⅝	8	+ ⅛
28½	8⅝	GrndAu	2.0	8.3	12	10	9⅝	9⅝	9⅝	
24⅝	4⅝	Grang g				192	6⅛	5	5	− ⅛
77	22½	GrtLKC	.64	1.4	17	228	46½	44½	46½	+1⅝
13⅝	5⅝	Grenm s				4	10⅝	10⅝	10⅝	
17⅝	7⅝	Grstnr			9	12	9½	9½	9½	
11⅝	5⅝	Gruen			10	13	7	6⅝	6⅞	+ ⅛
17	8	GrsCh s	.72	3.9	10	36	10⅝	10⅝	10⅝	+ ⅛
13	5	GoldWg	1.32e	16.6		44	8⅝	8	8⅝	
7⅝	3⅝	GCoal n	.40	3.0		914	13½	12½	13½	
3⅝	3⅛	GCdR pf				2	3⅝	3⅝	3⅝	
19⅝	7⅝	Gull	.05e	.3	20	206z	19⅝	17⅝	19½	+1½
21½	7⅝	Gundle n				20	12⅝	12⅝	12⅝	− ⅝
		E								
6½	3⅝	EAC				146	5⅛	4⅝	5⅛	+ ⅝
17⅝	9½	EECO s	.34	2.2	32	83	15⅝	15⅝	15⅝	+ ⅛
8⅝	3⅝	ESI	.20f	3.9	7	3	5⅝	5⅝	5⅝	
1⅝	½	EgoICl				17	1⅛	1	1	− ⅛
23⅝	12⅝	EAL pf	2.84	19.9	2	14z	14⅛	14⅛	14⅛	− ⅛
28⅝	13⅝	EAL pl	2.52	27.2		34	14⅝	14⅝	14⅝	
28⅝	10⅝	EAL pt	3.24	27.4		80	11⅝	11⅝	11⅝	+ ⅛
28⅝	11⅝	EAL pl	3.12	27.2		1	11⅝	11⅝	11⅝	− ⅛
34½	19⅝	EstnCo	1.00	4.0	11	19	24⅝	24	24⅝	+ ⅛
31⅝	20	Eaton	2.20e	3.2	8	125	70⅝	69⅝	70⅝	+ ⅝
13⅝	3⅝	EchBes s			37	492	17⅝	17	17⅝	−1⅛

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
4⅝	2	Esson n	.08e	.7	17	98	3⅝	2	2	− ⅛
29⅝	8⅝	EcolE n				330	4⅝	4½	4⅝	
12⅝	5⅝	EthrBr			8	28	10½	10½	10½	
11⅝	8⅝	Eldorad	.20b	2.1	8	14	9½	9½	9½	+ ⅛
15½	4	ElecSd			26	10	5⅝	5½	5½	− ½
3⅝	1⅝	Elsinor				343	2⅝	1⅝	2	− ⅛
10⅝	6	Elswth	1.00e	14.8		541	6⅝	6⅝	6⅝	+ ⅛
16⅝	3⅝	EmMart				14	9⅝	9½	9½	+ ⅛
4⅝	1⅛	EGdm wt				20	1⅛	1⅛	1⅛	+ ⅛
7	2⅝	EmeAn n	.36e	8.7		468	3½	3	3	− ⅛
18⅝	4⅝	EmCor	.04	.7	2	21	5⅝	5⅝	5⅝	
10⅝	4⅝	Endvco			90	6⅝	6½	6½	6½	− ⅛
18⅝	4½	EnDvl	1.10	14.2	3	63	8	7⅝	7⅝	− ⅛
7⅝	⅝	ENSCO			16	1504	3⅛	3	3⅛	
14⅝	4½	Engen n				7	6⅝	6⅝	6⅝	+ ⅛
3	1⅝	Enstr pf	.18e	11		3	1⅝	1⅝	1⅝	
16⅝	2⅝	EnMkt			14	934	4⅝	4⅛	4⅝	+ ⅛
10⅝	7	Eqtyg	.72e	9.9		46	7½	7½	7½	
16⅝	6⅝	Eros			10	59	8⅝	8⅝	8⅝	
9⅝	2⅝	Escon n				50	2⅝	2⅝	2⅝	
23½	14½	Esser	.40	2.4	13	5	16½	16½	16

CURRENCY MARKETS

DOLLAR: *Bonn and Paris Act Jointly on Interest Rates, but U.S. Currency Plunges*

(Continued from Page 1)

Brown, an economist with County NatWest in London. "It's good news for monetary stability, but I'm doubtful it will do much to relive tension in the EMS for more than a few days."

In Washington, Assistant Treasury Secretary David A. Mulford praised West Germany's reduction of the Lombard rate as "very constructive." He also said that the United States and six other major industrialized nations might meet to align their economic policies.

"There is a chance of additional consultation and perhaps a meeting," Mr. Mulford said.

But Nigel Lawson, the British chancellor of the Exchequer, said that no emergency meeting of the so-called Group of Seven could be called before the United States approved major reductions in its federal budget deficit.

Mr. Lawson's statement came amid growing pessimism in Washington about budget negotiations between the Reagan administration and Congress.

London Dollar Rates

Closing	Tue.	Wed.
Deutsche mark	1.6725	1.7115
Pound sterling	1.7020	1.7465
Japanese yen	134.55	137.25
Swiss franc	1.3730	1.4125
French franc	5.6674	5.8225

Source : Reuters

The dollar's fall was hastened Thursday by remarks by Representative Jim Wright of Texas, the speaker of the House and a Democrat, that an alternative budget plan should be readied in case the talks collapse.

The French and German action emerged after the regular meeting Thursday of the Bundesbank's central bank council, which sets the central bank's monetary policy.

Economists described the lowering of the Lombard rate to 4.5 percent as a symbolic move intended mainly to tone down international criticism of West Germany's unbending monetary policy.

The Lombard rate is the interest charged on commercial banks' short-term borrowing from the central bank against securities as collateral.

As expected, however, the Bundesbank's benchmark discount lending rate was left unchanged at 3.0 percent despite repeated calls for a cut from the United States.

The more significant step, analysts said, was the Bundesbank's announcement Thursday that it would call for tenders on securities repurchase agreements at a fixed 3.5 percent rate, down from 3.8 percent.

The Bundesbank did not say when the tender will take place or what the duration of the agreements would be. About 13.8 billion DM ($8.1 billion) of previous securities repurchase agreements expire next week.

In a related move, the Bundesbank announced that the West German Finance Ministry was temporarily suspending sales of several classes of government securities.

The Bank of France raised its key money market intervention rate to 8.25 percent from 7.50 percent and its seven-day repurchase rate to 8.75 percent from 8 percent.

In Zurich, the Swiss National Bank, after agreeing with other central banks, said it was cutting its discount rate to 3 percent and its Lombard lending rate to 4.5 percent. Each cut amounted to one-half percentage point.

The United States and some European nations, particularly France, have been publicly pressuring West Germany to lower its interest rates to help stabilize financial markets and reduce trade imbalances by boosting domestic consumption and import levels.

Despite the moves by European central banks, economists said that the key to any long-term economic stability lay with the United States.

"Whether the EMS will remain stable for very long is highly questionable," said Hermann Remsperger, an economist with BHF Bank AG in Frankfurt. "But this also shows the Bundesbank is willing to act and shifts the focus back to the United States."

Earlier, the U.S. currency was fixed in Frankfurt at 1.6950 DM, down from 1.7090 on Wednesday, and in Paris at 5.7755 French francs, down from 5.8120. It closed in Zurich at 1.3930 Swiss francs, down from 1.4110.

■ M-1 Rises $9 Billion

The Fed said Thursday that M-1, the narrowest measure of the U.S. money supply, rose by $9.1 billion to a seasonally adjusted $768.5 billion in the week ended Oct. 26. Reuters reported from New York.

The previous week's M-1 level was revised to $759.4 billion. The Fed has been pumping liquidity into the money markets to keep interest rates down since prices on the New York Stock Exchange collapsed on Oct. 19.

U.S. Bonds Surge After Rate Cuts

Reuters

NEW YORK — Prices of U.S. government bonds rose nearly 2 points Thursday, buoyed by cuts in West German and U.S. interest rates and reports of strong Japanese buying at the Treasury's auction of a new 30-year bond.

Dealers said the rate cuts brightened the outlook for lower U.S. money market rates.

The benchmark 8.875 percent 30-year bond was up 1.875 points, or $18.75 for every $1,000 in face value, to 100 1/32 in late trading, compared with Wednesday's finish.

The U.S. Treasury said it auctioned an additional $4.77 billion of the 30-year bonds at an average price of 100.844 price and yield of 8.79 percent.

Dealers had been expecting an average yield of 8.83 to 8.85 percent.

Dealers pointed to two indicators of strong auction demand. The highest accepted yield was exactly the same as the average, they noted, and the $20.02 billion of bids was more than four times the amount required.

Dealers had expected substantial interest from Japanese customers for the new 30-year bonds, although they foresaw little demand from American investors. Traders said the relatively small size of the issue, at about half the usual amount, would also help produce a high auction price.

The average yield was down from 8.89 percent at the last auction of 30-year bonds on Aug. 13 and was the lowest since 8.76 percent on May 7.

The Bundesbank cut its Lombard emergency funding rate to 4.5 percent from 5 percent. While dealers were disappointed by the decision to leave the more important discount rate unchanged at 3 percent, they noted that the central bank did lower the rate on its next securities repurchase pact to 3.5 percent from 3.8 percent.

"We thought the Bundesbank's reduction in the Lombard rate was a bit negative at first," one dealer said. "But when we saw that the repurchase pact rate was lowered, it was a bit more friendly."

Bond prices also gained support from a cut in the U.S. prime lending rate to 8.75 percent from 9 percent, even though this move reflected earlier declines in money market rates.

Among other securities, the 10-year government bond rose to 101 1/32 from Wednesday's auction price of 99.97.

Yields on three-month Treasury bills fell to 5.58 percent from 5.60 percent on Wednesday, and to 6.02 from 6.07 percent on six-month bills.

Thursday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Ch'ge
[illegible]									

(Continued on next page)

Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div.	Yld.	PE	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]										

(Continued)

12 Month High	Low	Stock	Div.	Yld.	PE	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xds — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

As Korean Surplus Soars, Won Nears 800 to Dollar

Reuters

SEOUL — Government officials predicted Thursday that the psychologically important barrier of 800 won to the dollar would be breached soon as South Korea's soaring trade surplus forces daily revaluations of its currency.

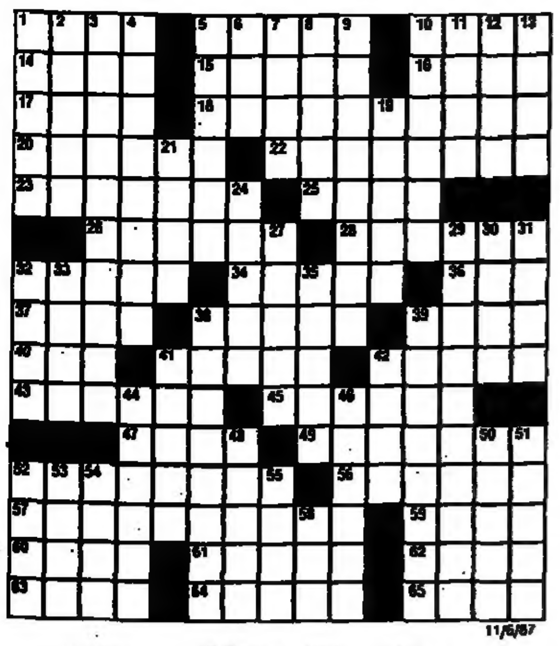
The Bank of Korea, the central bank, has fixed the won upward daily for the past two weeks. The dollar was worth about 805 won two weeks ago and was fixed on Thursday at 800.40.

A senior Trade Ministry official confirmed reports that South Korea's current account surplus is expected to top $10 billion in 1987, more than double the $4.6 billion surplus posted in 1986.

Last month, Trade Minister Rha Woong Bae told parliament that the trade surplus with the United States would hit $8.5 billion this year, up from $7.4 billion in 1986.

Choi Jun Yong, deputy director of the ministry's export promotion department, said that forecasts have had to be revised. "Rapid growth in exports of cars and electronics will help our country's total exports exceed this year's target," he said Thursday.

Economists and government officials say that the widening surplus guaranteed still tougher U.S. calls for Seoul to open its markets and allow the won to rise rapidly against the dollar. Most of the surplus comes from trade with the United States.



11/6/87

ACROSS

- 1 Cadore ——
- 5 Barass
- 10 Volition
- 14 Boor
- 15 Hall's partner in music
- 16 Personal: Comb. form
- 17 Palindromic name
- 18 Bore excessively
- 20 Indolent
- 22 Inquisition ceremony
- 23 Caressed
- 25 *Mauna Loa* goddess
- 26 Balances
- 28 Grated
- 32 Yell
- 34 Norse pantheon
- 36 Psychic Geller
- 37 Eft
- 38 Disney "vocalist"
- 39 Move
- 40 Eur. republic
- 41 Opera great —— -Casazza
- 42 Rapidly
- 43 Gateway
- 45 Occupants of trunks
- 47 Units of reluctance
- 49 Gourmet
- 52 Shoulder ornaments
- 56 *Caused travail*
- 57 End
- 59 African gazelle
- 60 Image
- 61 Quechuas
- 62 German flax
- 63 "Red" coin
- 64 Desist's partner
- 65 Sp. miss

DOWN

- 1 Reserved
- 2 Game of chance
- 3 Given sovereignty
- 4 Was conspicuous
- 5 *Pith helmets*
- 6 —— de Cologne
- 7 Heine's "—— Troll"
- 8 Arrangement
- 9 Recondite
- 10 Oscar and Cornel
- 11 Notion
- 12 Gladly
- 13 Poet —— de Vega
- 19 Heliacal
- 21 Cut
- 24 Distributed
- 27 What students take
- 29 ". . . let no man ——"
- 30 Pitcher Show
- 31 Menacing
- 32 Bit
- 33 Protagonist
- 35 Take pot shots
- 38 In the style of Joffrey
- 39 Items on sale
- 41 Erse speakers
- 42 Tune for Tebaldi
- 44 Hooky player
- 46 Place side by side
- 48 "Platoon" director
- 50 Send payment
- 51 Suburb of Minneapolis
- 52 Heroic
- 53 Purple-brown
- 54 Like —— of bricks
- 55 Animal lovers' org.
- 58 Pile, in Paris

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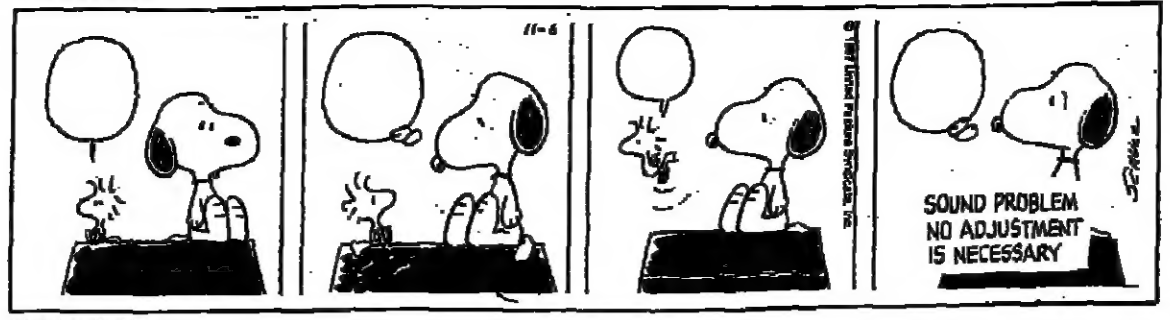
PEANUTS



BLONDIE

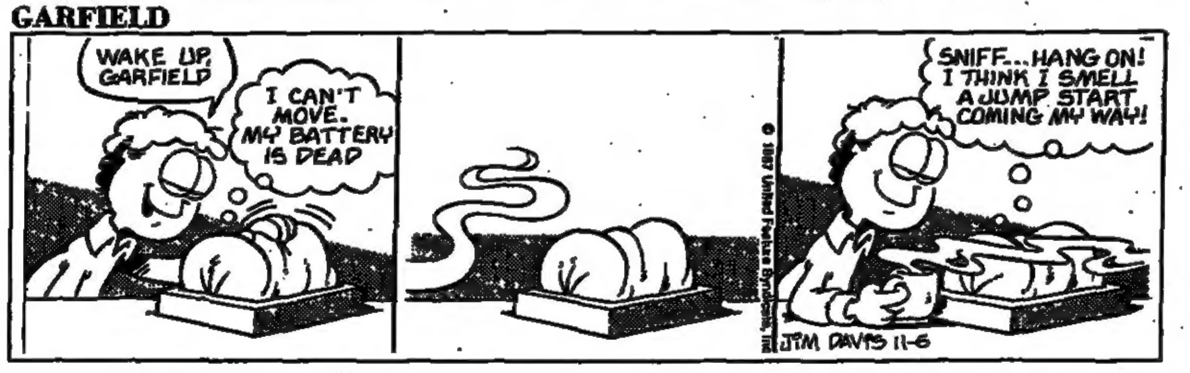
BEETLE BAILEY

ANDY CAPP

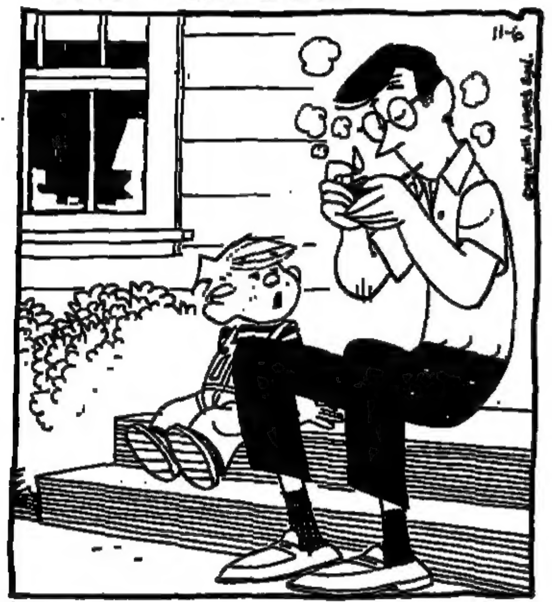
WIZARD of ID

REX MORGAN

GARFIELD



DENNIS THE MENACE



"WHEN MARGARET GROWS UP, SHE WANTS ME TO BE HER FIRST HUSBAND."

BOOK BRIEFS

ROCK SPRINGS. By Richard Ford. The Atlantic Monthly Press, 8 Arlington Street, Boston, Mass. 02116.

Richard Ford's stories are as candid as daylight, as inevitable as noon. Experience was never more closely observed. Nor was language ever more comfortable than the first-person voice prevailing here. You believe every word.

That is so, you soon feel, because these stories are in fact largely true. Repetitions that at first seem careless, and then deliberate, later appear to be involuntary, the touchstones of a single life.

The setting is Montana, the culture one of near poverty and incipient violence. Men may work on the railroad, and women in bars, but unemployment is a natural condition. What occupies these Montanans are fishing, hunting, drinking and sex.

The main character, near 40, is a footloose and marginal man. He is attractive to women and men, and wise enough to understand much, but too bemused by life often to enter it with vigor. Some other, more vital, character provides each story's energy; the role of the ostensible protagonist is to follow, to react and, at the end, to reflect.

One by one, these stories are fresh and free as new snow on the Clark Fork. Read together, they express fidelity — even homage — to the experience of a life. All 10 stories emerge from one changeless sea of sadness, albeit with headlands of macabre hilarity — a hanged pet monkey, or a paraplegic who, to impress girls, has a cab driven over his lifeless feet.

(Jonathan Penner, WP)

AN ADULTERY. By Alexander Theroux. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

Adultery was once the ideal subject for the novelist. Anarchic passions crushed against inflexible societal mores; the awful daring of a moment's surrender led inexorably to the draught of poison or the wheels of the oncoming train. But that was long ago, before prime-time.

Don't imagine, though, that Alexander Theroux's new novel, "An Adultery," in any way heralds a revival of strictures. The book is, it's true, about an adulterous affair. But society could not care less. Indeed, society — that is to say other people — scarcely intrudes upon these pages. "An Adultery" focuses relentlessly, exhaustively, and at times *exhaustingly*, on the ebb and flow of passion between two driven lovers.

Not since Henry Miller's epics of betrayal have we had so grim a vision of the destructive power of love.

(Sven Birkerts, WP)

VOLCKER: Portrait of the Money Man. By William R. Neikirk. Congdon & Weed, 298 Fifth Avenue, New York, N.Y. 10001

The most remarkable thing about William R. Neikirk's commendable biography of Paul A. Volcker is that its very existence demonstrates how much has changed in the world of economics. What, after all, would have been the market for general interest books about even the most distinguished of Volcker's predecessors as head of the nation's central bank?

But the rise of the Federal Reserve as a policy-making force second to none — both in fact and in public appreciation — makes this effort thoroughly worthwhile, even though it was started when Volcker seemed likely to have begun by now a third four-year term instead of opting for retirement.

Neikirk, a Washington correspondent for The Chicago Tribune, appears to have got to know this complicated man better than any other financial journalist and admits, in fact, to liking him. Yet he raises the tough questions, such as whether Volcker was responsible for the Latin American debt crisis with which he grappled so heroically, and he has not succumbed to the widespread notion that Volcker was the only person in the country who could have rescued us from double-digit inflation — and that he did so single-handedly.

(Robert D. Hershey Jr., NYT)

IT'S RAINING IN MANGO: Pictures From a Family Album. By Thea Astley. The Putnam Publishing Group Inc., 200 Madison Avenue, New York, N. Y. 10016.

In her last novel, "Beachmasters" (1986), the Australian novelist Thea Astley created a mythic parable about colonialism and revolution by chronicling the events that overtake a small fictional island named Kristi in the South Pacific. Now, in "It's Raining in Mango," she again attempts to compress and mythologize history. This time, it's not the history of a nation that concerns her but the history of a family, though in tracing what happens to four generations of the Laffey clan she also charts Australia's entry into the modern world.

As in "Beachmasters," the prose is musical and effortlessly lyrical, the vision focused on the horizon of the epic but nonetheless accommodating of the ordinary and domestic. By shuttling back and forth between the past and present, by looping experience and memory together in a Möbius strip of time, Astley is able to show how each successive generation of the Laffey family learned from and rebelled against its predecessors; and in doing so, she also reveals the circular nature of their history, their need to repeat one another's excesses and mistakes.

(Michiko Kakutani, NYT)

Solution to Previous Puzzle

```
DELTA DIM ETAGE
AMIES ESE LUBES
DUTCHSETTLEMENT
   HELPS AMBLE
 TENSE   NIL
TODO ERASE EDDA
ALI START PREEN
PETERSTUYVESANT
IDEAS ELLAS LIE
RODS TREES TEES
   TRI   AVERS
 BELIE ACRES
NEWYORKSHISTORY
AMENT ETA TEPEE
BARNS NAP ADAPT
```

11/6/87

BRIDGE

By Alan Truscott

IF bridge contests were like football or hockey, with replacements permitted, one would expect some players to specialize in bidding, play or defense. In that event two pairs from the Midwest would have a strong claim for inclusion in any team as bidding specialists. The 1987 winners of the International Bridge Academy's World Bidding Contest, organized in the Netherlands were a pair from Lansing, Michigan, — Alan Falk and Craig Mertz. They won by one point over Chris Habegger of Elkhart, Indiana, and Tom Dodd of South Bend, Indiana, exactly reversing the 1986 result. On the diagramed deal from this year's event, the winners solved a difficult problem that eluded almost all the contestants. A quick glance at the diagram suggests that North-South should reach six diamonds or six no-trump and that 13 tricks are out of reach.

They are out of reach in diamonds or no-trump, but a more careful look reveals that the extra trick is available in clubs. One spade ruff suffices, and the grand slam succeeds unless the trumps break very badly, which would be rank injustice. And in a bidding contest, with awards predetermined by expert judges, justice prevails. Falk was South and made a good decision by responding two clubs to one diamond rather than one spade. He had slam in mind, and wanted to show strength immediately and emphasize the suit in which he had the lower honors. This encouraged his partner to jump to three diamonds, showing lenghth and strength, and he might well have gone a step further by bidding three spades, a splinter showing spade shortage an a club fit.

A series of cue-bids then hit the target. When North showed that he had both top clubs, South knew where he wanted to be. If North had held seven diamonds and only two clubs, he would have corrected to seven diamonds and South would have tried seven no-trump.

NORTH (D)
♠3
♥1032
♦KQJ1076
♣AK10

WEST
♠KJ98
♥QJ7
♦84
♣7543

EAST
♠Q1062
♥K865
♦532
♣82

SOUTH
♠A754
♥A94
♦A9
♣QJ96

Neither side was vulnerable. The bidding:

North	East	South	West
1 ♦	Pass	2 ♣	Pass
3 ♦	Pass	3 ♥	Pass
4 ♣	Pass	4 ♠	Pass
5 ♣	Pass	7 ♣	Pass
Pass	Pass		

West led the club three.

JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KANLY
○ ○ ☐ ○ ☐

DESET
☐ ☐ ○ ○ ☐

NEWECH
○ ☐ ☐ ○ ○ ☐

URGETT
○ ☐ ○ ☐ ☐ ○

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: A "○○○○○-○○○○○○"

(Answers tomorrow)

Yesterday's | Jumbles: SCARF CRAWL FAMOUS BARREL
Answer: *What to give the man who always wears loud ties*—A MUFFLER

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	21	70	16	61	cl
Amsterdam	11	52	2	36	cl
Athens	12	54	9	48	o
Barcelona	21	70	12	54	fr
Belgrade	10	50	1	34	fr
Berlin	10	50	6	43	o
Brussels	9	48	0	32	fo
Budapest	11	52	1	34	fr
Copenhagen	7	45	1	34	o
Costa Del Sol	19	66	16	61	r
Dublin	12	54	7	45	cl
Edinburgh	12	54	-2	28	fo
Florence	10	50	9	48	fr
Frankfurt	10	50	0	32	fr
Geneva	10	50	7	45	o
Helsinki	6	44	2	36	fr
Las Palmas	26	79	21	70	r
Lisbon	20	68	15	59	o
London	12	54	9	48	cl
Madrid	16	61	12	54	r
Milan	14	57	5	41	fr
Moscow	2	36	0	32	sw
Munich	1	34	-2	28	fr
Nice	21	70	9	48	fr
Oslo	1	34	0	32	fo
Paris	12	54	4	39	fr
Prague	8	46	0	32	fr
Reykjavik	9	48	9	48	o
Rome	19	66	7	45	fr
Stockholm	7	45	3	37	o
Strasbourg	10	50	0	32	fr
Venice	14	57	4	39	fr
Vienna	14	57	4	39	fr
Warsaw	7	45	1	34	o
Zurich	8	46	4	39	o
MIDDLE EAST					
Ankara	9	48	1	34	r
Beirut	—	—	—	—	na
Cairo	24	75	13	55	fr
Damascus	—	—	—	—	cl
Istanbul	11	52	7	45	o
Jerusalem	21	70	8	46	cl
Tel Aviv	23	73	10	50	cl
OCEANIA					
Auckland	—	—	—	—	na
Sydney	23	73	17	63	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	26	79	st
Beijing	9	48	-2	28	cl
Hong Kong	24	75	20	68	cl
Manila	31	88	26	79	fr
New Delhi	29	84	14	57	fr
Seoul	9	48	1	34	fr
Shanghai	16	61	9	48	o
Singapore	31	88	24	75	st
Taipei	25	77	20	68	o
Tokyo	21	70	14	57	fr
AFRICA					
Algiers	26	79	16	61	cl
Cape Town	—	—	—	—	na
Casablanca	20	68	13	55	cl
Harare	30	86	22	72	fr
Lagos	31	88	26	79	cl
Nairobi	29	84	19	66	cl
Tunis	22	72	17	63	cl
LATIN AMERICA					
Buenos Aires	22	72	13	55	r
Caracas	—	—	—	—	na
Lima	22	72	12	54	cl
Mexico City	25	77	7	45	fr
Rio de Janeiro	29	84	23	73	fr
NORTH AMERICA					
Anchorage	5	41	0	32	cl
Atlanta	22	72	5	41	pc
Boston	9	48	1	34	sh
Chicago	7	45	-1	30	fr
Denver	19	66	4	39	fr
Detroit	7	45	-4	25	pc
Honolulu	31	88	24	75	pc
Houston	27	81	14	57	fr
Los Angeles	22	72	12	54	pc
Miami	31	88	23	73	sh
Minneapolis	5	41	-4	25	fr
Montreal	8	46	-4	25	sh
Nassau	29	84	24	75	sh
New York	20	68	2	36	fr
San Francisco	20	68	12	54	sh
Seattle	13	55	7	45	fr
Toronto	6	43	-3	27	sh
Washington	22	72	4	39	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

FRIDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Fair. 9—3 (48—27). LONDON: Foggy. Temp. 11—4 (52—39). MADRID: Cloudy. Temp. 19—12 (66—54). NEW YORK: Partly cloudy. Temp. 8—1 (46—34). PARIS: Fair. Temp. 13—4 (55—39). ROME: Fair. Temp. 17—5 (63—41). TEL AVIV: Not available. ZURICH: Cloudy. Temp. 8—0 (46—32). BANGKOK: Showers. Temp. 32—25 (90—77). HONG KONG: Rain. Temp. 24—21 (75—70). MANILA: Cloudy. Temp. 33—24 (91—75). SEOUL: Foggy. Temp. 7—1 (45—34). SINGAPORE: Thunderstorms. Temp. 30—24 (86—75). TOKYO: Fine. Temp. 22—13 (72—55).

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Nov. 5.

Amsterdam

	Close	Prev.
ABN	37.20	36.70
ACF Holding	41	41.10
Aegon	54.50	54.50
Akzo	95	93
Ahold	63.50	60.50
Amev	39.50	38.30
A'Dam Rubber	9.50	9.70
Amro Bank	60.50	61.50
BVG	5	3.50
Buhrmann T.	37	38
Caland Hldg	16.50	14.10
Elsevier	37.30	34.30
Fokker	24.50	24.80
Gist Brocades	29.70	31.90
Heineken	123	121.50
Hoogovens	28.20	28.80
KLM	29.50	31.90
Nat Neder	46.50	46.40
Nedlloyd	118	117
NMB	126	124.50
Oce Vander G	198.50	195
Pakhoed	57.20	57
Philips	30.80	30.50
Robeco	82	81.80
Rodamco	139.60	141
Rolinco	73.80	75
Rorento	52.20	51.90
Royal Dutch	204	201
Unilever	103.50	101.50
Van Ommeren	27.70	27.50
VMF Stork	13	13.40
VNU	51.10	53.50

ANP-CBS general index: 288.70
Previous: 223.20

Brussels

	Close	Prev.
Arbed	1114	1160
Bekaert	8300	8100
Cockerill	127	127
Cobepa	4545	4580
EBES	4200	4220
GB-Inno-BM	800	810
GBL	2650	2720
Soc Generale	2370	2400
Gevaert	4040	4040
Hoboken	5900	6000
Intercom	3430	3210
Kredietbank	3100	3200
Petrofina	9400	9500
Sofina	9560	9900
Solvay	10000	10150
Traction Elec	5440	5700
UCB	7600	8000
Unerg	2400	2350
Vieille Montagne	5940	5940

Current Stock Index: 3766.18
Previous: 3840.47

Frankfurt

	Close	Prev.
AEG	222	225.50
Allianz Vers	1130	1090
Altana	335	344
BASF	260	254.10
Bayer	272.50	267.50
Bay. Hypo bank	343	337
Bay Vereinsbank	336	340
BBC	204	207
BHF-Bank	375	382
BMW	462	466
Commerzbank	225.50	237.30
Conti Gummi	238.50	232
Daimler-Benz	733	742
Degussa	378	387
Deutsche Babcock	186	175.20
Deutsche Bank	481.50	486
Dresdner Bank	254.50	254.50
Harpener	320	323
Henkel	475.20	466
Hochtief	406.10	409
Hoechst	248.50	245.50
Hoesch	100	102
Horten	173	173
Hussel	420	411
IWKA	212	201
Kali + Salz	134	149
Karstadt	403	443
Kaufhof	410	415
Kloeckner HD	107	107.50
Kloeckner Werke	86	90
Krupp Stahl	82.10	86.10
Linde	580	515
Lufthansa	129	128
MAN	136	135.50
Mannesmann	129	130.80
Muench Rueck	2080	2080
Nixdorf	619	622
PKI	560	580
Porsche	610	610
Preussag	145	142.80
PWA	172.50	173
RWE	227	219.50
Rheinmetall	250	240.50
Schering	431	438
SEL	310	315
Siemens	454	441
Thyssen	111	107
Veba	276.20	274.50
Volkswagenwerk	262	264
Wella	460	439

Commerzbank index: 1376.40
Previous: 1437.90

Hong Kong

	Close	Prev.
Bk East Asia	16.90	18.50
Cathay Pacific	4.95	5.20
Cheung Kong	6.15	6.75
China Light	16.80	17.40
Green Island	4.70	4.80
Hang Seng Bank	25.50	27.30
Henderson	3.15	3.40
HK China Gas	10	10.70
HK Electric	7	7.20
HK Realty A	3.275	3.55
HK Hotels	30.75	32.25
HK Land	5.85	6.55
HK Shang Bank	6.70	7.05
HK Telephone	10.90	11.50
HK Yaumatei	3.125	3.75
HK Wharf	4.975	5.55
Hutch Whampoa	6.80	4.95
Hysan	0.79	0.83
Jardine	8.75	9.10
Jardine Sec	5.55	6.25
Kowloon Motor	8	8.50
Miramar Hotel	3.90	4.30
New World	3.55	4.05
SHK Props	7.25	7.80
Stelux	3.70	4
Swire Pac A	12.40	13.10
Tai Cheung	2.35	2.45
Wing On Co	1.95	2.125
Winsor	6	6.50
World Int'l	1.97	2.10

Hang Seng Index: 1946.90
Previous: 2077.31

Helsinki

	Close	Prev.
Amer A	223	N.Q.
Enso-Gutzeit	38	39.90
Finnish Sugar	68	74
K.O.P.	59.90	59
Kymmene	112	119
Nokia	204	215
Pohjola	136	139
Wartsila	N.Q.	360

Unitas Index: 597.80
Previous: 606.30

Johannesburg

	Close	Prev.
AECI	1200	1300
Anglo American	5150	5900
Barlows	1850	1925
Blyvoor	1600	1800
Buffels	6000	6200
GFSA	4800	5300
Harmony	3700	3950
Hiveld Steel	500	490
Kloof	3000	3500
Nedbank	530	620
Rusplat	2775	3100
SA Brews	1650	1750
St Helena	3100	3500
Sasol	870	925
Welkom	2800	2800

Composite Stock Index: 1602
Previous: 1812

London

	Close	Prev.
AA Corp $	15½	16⅝
Allied Lyons	331	314
Anglo-Am Gld $	71⅝	65
Ass Brit Foods	291	287
Asda-MFI Gp	143	148
Barclays	440	423
Bass	771	780
B.A.T.	435	419
Beecham	422	385
Blue Circle	335	310
Boc Group	330	308
Boots	227	228
Bowater Ind.	350	352
British Aero.	310	307
Britoil	227	209
BP	251	242
British Telec.	230	215
Btr	241	235
Burmah	376	363
Cable Wireless	295	292
Cadbury Schw	285½	282
Charter Cons.	265	259
Commercial U	311	298
Cons Gold Field	784	778
Cookson Group	428	405
Courtaulds	320	306
Dalgety	271	280
De Beers	9	9½
Driefontein $	18⅝	11⅝
Fisons	250	235
Freegold $	11½	11
Gen Accident	758	745
GEC	184	182
GKN	344	345
Glaxo	10 19/64	10 15/64
Grand Met	378	357
GRE	830	818
Guinness	344	340
Gus	20⅝	20⅝
Hanson	128	126
Hawker	409	397
ICI	10 31/64	9 61/64
Jaguar	280	274
Land Sec	430	425
Legal and Gen	242	249
Lloyds Bank	230	225
Lonrho	215	205
Lucas	489	473
Marks & Sp	191	187
Metal Box	180	175
Midland Bank	340	325
Nat.West.Bank	540	528
P and O	495	495
Pilkington	202	198
Plessey	144	141
Prudential	795	780
Racal Electric	202	202
Randfontein $	86	85
Rank	489	485
Reed Internat.	325	339
Reuters	478	476
Rover	38	40
Royal Dutch	40	41
RTZ	290	288
Saatchi	349	344
Sainsbury	224	219
Sears Holding	122	117
Shell	980	965
STC	200	196
Std Chart.Bank	413	408
Storehouse	236	223
Sun alliance	880	813
Tate and Lyle	570	563
Tesco	155	149
Thorn Emi	457	444
T.I. Group	239	228
Trafalgar Hse	304	273
THF	184	176
Ultramar	174	160
Unilever	458	435
United Biscuits	243	229
Vickers	142	142
War Loan 3½ %	40 13/32	39⅝
Woolworth	288	274

F.T.30 Index: 1287.90
Previous: 1256.40
F.T.S.E.100 Index: 1650.80
Previous: 1608.30

Madrid

	Close	Prev.
Banco Santander	1024	1030
CEPSA	494	487
Dragados	440	490
Expl. Rio Tinto	401	451
Hidroelec. Esp.	88	86.75
Telefonica	159	155

General Stock Index: 238.97
Previous: 231.42

Milan

	Close	Prev.
Banca Comm	2357	2461
Cigahotels	3530	3601
CIR	3500	3600
Cred Ital	1465	1550
Eridania	3530	3570
Farmitalia	8900	9045
Fiat	8725	9100
Generali	87550	91350
IFI	10400	10900
Italcementi	92720	96100
Italgas	2250	2256
Italmobiliare	108000	109200
Mediobanca	195700	205000
Montedison	1592	1595
NBA	2210	2400
Olivetti	7475	7710
Pirelli	3575	3750
RAS	39510	41000
Rinascente	3730	3920
SIP	3900	3800
SME	1452	1706
Snia	2850	2931
Standa	10830	10440
Stet	2300	2460

MIB Current Index: 710
Previous: 735

Paris

	Close	Prev.
Air Liquide	519	527
Alsthom Atl.	266	260
Av Dassault	801	825
Bancaire	445	490
BIC	500	515
Bongrain	2200	2280
Bouygues	890	830
BSN-GD	4117	4225
Carrefour	2300	2285
C.G.E.	242	244.90
Chargeurs	707	705
Club Med	365.10	371
Darty	260	260.50
Dumez	690	700
Elf-Aquitaine	269	275
Europe 1	518	530
Gen Eaux	1080	1015
Hachette	2135	2158
Lafarge Cop	1135	1165
Legrand	2280	2260
Lesieur	1500	1545
l'Oreal	2500	2625
Martell	1576	1650
Matra	1645	1650
Merlin-	1939	1858
Michelin	226	220
Moulinex	53.90	54
Occidentale	660	670
Paribas	349	353
Pernod Ric	735	718
Perrier	605	617
Peugeot	1057	1094
Printemps	458	451
Radiotechn	970	1000
Redoute	2900	2570
Roussel Uclaf	1047	1056
Sanofi	578	600
Saint Gobain	421	420.10
Skis Rossignol	1025	1016
Telemecan	2750	2700
Thomson CSF	770	770
Total	347.50	329.10

CAC Index: 297.10
Previous: 300.50

Sao Paulo

Nov. 4

	Close	Prev.
Bradesco	18.50	18.50
Brahma	56	59.50
Paranapanema	16.70	17.30
Petrobras	65	67.50
Varig	6.90	6.70

Bovespa Index: 11594
Previous: 11010

Singapore

	Close	Prev.
Cerebos	4.30	4.44
DBS	9	9
Fraser Neave	7.30	7.25
Haw Par	3.02	3.18
Hume	1.55	1.55
Inchcape	2.18	2.40
Lum Chang	1.02	1.05
Malayan Banking	4.10	4.20
OCBC	7.05	7.10
OUB	3.40	3.48
OUE	2.52	3
Shangri-la	3.74	3.78
Sime Darby	1.92	2
S'pore Airlines	9.05	9.30
S'pore Land	3.58	3.86
S'pore Press	6.45	6.80
S Steamship	1.26	1.32
St Trading	3.48	3.50
UOB	4.44	4.58
United Overseas	1.35	1.37

Straits Times Ind.: 817.72
Previous: 862.51

Stockholm

	Close	Prev.
AGA	148	143
Alfa Laval	250	270
Asea	310	330
Astra	185	181
Atlas Copco	148	150
Beijer	N.Q.	—
Boliden	N.Q.	465
Electrolux	214	212
Ericsson	166	168
Esselte	145	148
Handelsbanken	99	99
Pharmacia	142	143
Norsk Hydro	N.A.	—
Saab-Scania	166	180
Sandvik	150	158
Skanska	290	298
SKF	225	258
SwedishMatch	82	85
Volvo	271	282

Affaersvaerlden Index: 682.10
Previous: 695.80

Sydney

	Close	Prev.
ACI	3.50	3.50
ANZ	3.70	3.75
BHP	7.30	7.50
Boral	3.65	3.70
Bougainville	2.65	2.75
Coles Myer	5.50	5.60
Comalco	2.30	2.45
CRA	4.70	4.70
CSR	3.50	3.50
Dunlop	3.75	3.75
Elders Ixl	2.40	2.45
ICI Australia	3.80	3.85
Magellan	1.90	2
MIM	1.60	1.60
Nat Aust Bank	4.20	4.30
News Corp	10.50	10.90
N Broken Hill	1.95	1.95
Poseidon	3	3.30
Qld Coal Trust	1.13	1.14
Santos	4.35	4.30
Thomas Nation	3.10	3.10
Western Mining	4.05	4.50
Westpac Banking	4.40	4.40
Woodside	1.25	1.35

All Ordinaries Index: 1230.30
Previous: 1290.10

Tokyo

	Close	Prev.
Akai	445	440
Asahi Chemical	1030	1070
Asahi Glass	1820	1820
Bank of Tokyo	1360	1300
Bridgestone	1150	1190
Canon	901	922
Casio	1110	1110
C.Itoh	651	675
Dai Nippon Print	2160	2160
Daiwa House	1780	1820
Daiwa Securities	2160	2280
Fanuc	4600	4800
Fuji Bank	3050	3090
Fuji Photo	3470	3530
Fujitsu	1110	1100
Hitachi	1130	1110
Hitachi Cable	1030	1070
Honda	1280	1250
Japan Air Lines	17500	17700
Kajima	1770	1770
Kansai Power	3380	3520
Kawasaki Steel	345	347
Kirin Brewery	2160	2170
Komatsu	640	645
Kubota	548	550
Kyocera	4490	4540
Matsu Elec Inds	1950	1990
Matsu Elec Works	1870	1870
Mitsubishi Bank	2780	2750
Mitsubishi Chem	976	990
Mitsubishi Elec	534	545
Mitsubishi Heavy	620	627
Mitsubishi Corp	1030	1060
Mitsui and Co	676	672
Mitsukoshi	1580	1530
Mitsumi	1810	1820
NEC	1800	1820
NGK Insulators	997	730
Nikko Securities	1730	1800
Nippon Kogaku	911	940
Nippon Oil	1280	1290
Nippon Steel	426	435
Nippon Yusen	599	613
Nissan	687	696
Nomura Securities	3470	3590
Olympus Optical	936	955
Pioneer	2700	2720
Ricoh	1030	1050
Sharp	930	932
Shimazu	940	970
Shinetsu Chemical	1630	1670
Sony	3700	3800
Sumitomo Bank	3380	3400
Sumitomo Chem	775	780
Sumitomo Marine	1070	1130
Sumitomo Metal	307	319
Taisei Corp	1040	1050
Taisho Marine	971	1010
Takeda Chem	2830	2930
TDK	3870	3930
Teijin	780	787
Tokio Marine	1890	1920
Tokyo Elec Power	6790	6900
Toppan Printing	1620	1660
Toray Ind	725	731
Toshiba	648	647
Toyota	1770	1790
Yamaichi Sec	1740	1750

Nikkei 225: 22609.56
Previous: 23068.53
New Index: 1857.69
Previous: 1885.71

Zurich

	Close	Prev.
Adia	6050	6400
Alusuisse	470	475
Bank Leu	2420	2650
Brown Boveri	2040	2100
Ciba Geigy	2850	2875
Credit Suisse	2550	2590
Electrowatt	2775	2850
Interdiscount	3000	3350
Jacob Suchard	6950	7400
Jelmoli	2450	2660
Landis Gyr	1425	1475
Moevenpick	5000	5300
Nestle	8100	8150
Oerlikon-B	1095	1140
Roche Baby	9600	9850
Sandoz	1450	1480
Schindler	3425	3800
Sulzer	380	410
Surveillance	3600	3800
Swissair	855	910
SBC	395	403
Swiss Reinsurance	1820	1900
Swiss Volksbank	1840	1880
Union Bank	3675	3740
Winterthur	4400	4850
Zurich Ins	5075	5250

SBC Index: 495.10
Previous: 512.00

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto

Nov. 5

Canadian stocks via AP

Sales	Stock	High	Low	2 P.M.	Chg.
46730	Abti Prce	$23	22⅝	22⅝	— ½
25980	Agnico E	$22½	21⅝	22	— 1½
228374	Alt Energy	$17	16⅝	16⅝	— ⅛
4000	Alta Nat	$11½	11½	11½	+ ¼
1142	Algoma St	$15½	15	15½	+ ¾
117199	A Barick	$22⅝	21¼	21½	— 2
14750	Atco I f	$8⅝	8½	8⅝	
35375	BCED	295	290	290	— 10
4220	BP Canada	$17½	17⅛	17⅛	— ⅛
62587	B C Bancor	62	57	57	— 2
112039	Bank N S	$12½	12⅛	12⅛	— ⅛
700	Baton	$11⅝	11⅝	11⅝	
5600	Bralorne	155	150	150	— 16
1780	Bramalea	$18⅝	18⅝	18⅝	— ⅛
500	Brenda M	$12⅝	12⅝	12⅝	+ ⅛
8150	BCFP	$16¾	16½	16½	— ⅛
40300	BC Res	84	81	83	— 2
7262	BC Phone	$25⅝	25¼	25⅝	+ ¼
100	Brunswk	$11⅛	11⅛	11⅛	— ⅛
600	Budd Can	$32	31	31	— 1
876535	CAE	$7⅛	6⅞	7	— ¼
112673	CCL B f	$8⅛	7⅞	8⅛	+ ⅛
27680	Cambior	$16⅝	16	16⅝	— ⅝
109214	Campeau f	$14⅝	13⅝	14	— ¼
107154	CDC	$9	8⅝	8⅝	— ⅛
6200	C Nor West	$17½	17½	17½	
4500	C Packrs	$13¾	13⅝	13⅝	— ⅛
587	Can Trust	$38⅝	38⅝	38⅝	— 1⅛
2500	C Tung	$5⅝	5⅝	5⅝	+ ¼
81179	Cl Bk Com	$17⅞	17⅝	17⅞	+ ¼
47500	CTire A f	$11¾	11½	11⅝	— ⅛
1225	C Util B	$18½	18⅛	18½	+ ¼
3500	Cara	$9⅞	9½	9½	— ⅜
1600	Celanese	$17⅜	17	17⅛	+ ⅛
2500	Cntrl Cap	$11½	11⅛	11½	
15755	Cineplex	$14⅜	13⅝	14⅜	
3725	C Distb A	$5⅝	5⅝	5⅝	— ⅛
5450	CDistb B f	$5½	5⅜	5½	+ ⅛
10900	Cassika R	65	60	60	— 4
100	Conron A	$10⅝	10⅝	10⅝	— ¼
800	Crownx	$11¼	11	11¼	
57525	Czar Res	130	125	125	— 11
12704	Denison A p	$5¼	5⅛	5⅛	
14904	Denison B f	490	480	490	
16858	Derlan	$8⅝	8⅜	8⅝	+ ⅜
200	Develcon	285	285	285	+ 10
35400	Dickran A f	$8	7	7	— 1⅛
6550	Dofasco	$21⅝	21	21⅛	+ ⅛
2372	Du Pont A	$25⅝	25	25⅛	— ⅜
30200	Dylex A	$9⅝	9⅛	9⅝	+ ¼
500	Elcthom X	$6⅞	6⅝	6⅝	— ¼
400	Emco	$12½	12¼	12½	
11251	Encor	$6⅛	5⅞	6⅛	
18900	Equity Svr A	$5½	5¼	5¼	— ⅛
300	FCA Intl	$10	10	10	— ¼
159132	Fcnbrdge	$19¼	18⅝	19⅛	+ ⅛
84865	Fed Ind A	$12⅝	12⅛	12⅛	— ⅛
1800	Fed Pion	$8⅝	8½	8½	— ⅛
1100	F City Fin	$14	13⅝	14	— ¼
2300	Gandlf A	$13½	13	13⅛	— ⅛
1090	GE Canada	$15⅝	15½	15⅝	
7300	Geac Comp	160	160	160	
2500	Gibraltar	$9⅛	9	9	
144835	Goldcorp f	$7⅞	7	7⅝	— ⅛
600	Goodyear	$43½	41	41	
400	GL Forest	$39	38	39	— ⅜
190	Greyhnd	$19⅝	19½	19⅝	+ ½
2875	Hawker	$19⅝	19	19	— 1
5179	Hayes D	$10½	10⅛	10⅛	— ¼
34125	Hees Intl	$18⅛	17⅝	18⅛	
153267	Hemlo Gld	$17	16⅛	17	— ⅝
1600	Hollinger I	$7⅝	7½	7½	
1151	H Bay Co	$19¼	19	19¼	+ ¼
32100	Imasco L	$26⅝	26⅛	26⅛	
74000	Indal	$9⅝	9⅛	9¼	— ⅜
1600	Inland Gas	$11⅛	11½	11⅛	+ ¼
41975	I Corona a	$48½	46	46½	— 2⅛
15166	Intl Thom	$10½	10¼	10½	
1437	Inter Pipe	$47⅝	47	47⅝	— ⅛
28	Ipsco	$10	10	10	— ⅜
169200	Ivaco A f	$11⅛	11	11	— ⅛
10000	Ivaco B	$11⅝	11⅛	11⅝	+ ¼
24350	Jannock	$15⅝	15	15⅝	
1500	Kelsey H	$15⅝	15¼	15⅝	+ ½
44800	Kerr Add	$18⅝	18⅛	18⅝	
86356	Labatt	$24	23⅜	23⅝	— ¼
33600	Lacana	$11⅝	11	11⅛	— ⅛
11336	Loblaw Co	$11⅞	11¾	11⅞	
10000	Lumonics	$6⅝	6	6⅛	— ⅝
238258	Magna A f	$17⅝	17¼	17⅜	— ⅜
300	MDS H A	$21⅛	21⅛	21⅛	
2400	MICC	$9⅝	9⅝	9⅝	+ ¼
188466	Mclan H X	$18⅛	17⅝	18⅛	+ ½
340	Maritime f	$14½	14⅛	14⅛	— ⅜
9399	Mark Res	$9⅞	9⅝	9⅝	
42106	Minnova	$18⅝	18⅛	18⅛	— ¼
37352	Molson A f	$20⅝	20⅛	20⅝	+ ¼
400	Nabisco L	$31½	31½	31½	+ 1
411823	Noranda f	$21¾	21	21⅛	— ⅛
23307	Norcen	$18⅛	18	18	— ⅜
141188	Nova Cor f	$8⅝	8	8⅛	— ¼
26300	Nowsco W	$14⅝	14⅛	14⅜	
61029	NuWst sp A	24	24	24	— 1
1000	Oakwood	250	250	250	— 5
25078	Oshawa A f	$19⅞	19½	19½	— ¼
139281	Pac W Airln	$18	17¼	17⅞	+ ⅜
52835	Pamour	$9	8	8⅛	— 1⅛
15950	PanCan P	$24⅝	24⅛	24⅝	
708	Pine Point	$12⅛	12	12	— ⅛
603260	Placer Dm	$16¼	15½	16	— ⅜
6400	Que Sturg a	350	340	340	— 25
2400	Rayrock f	$8⅝	8⅝	8⅝	
2820	Redpath	$8½	8⅛	8½	
65	ReedSt I Sp	$25⅛	25¼	25⅛	+ ⅛
400	Rogers A	$20⅛	20⅛	20⅛	+ ¼
15200	Rogers B f	$18⅛	18	18⅛	— ⅛
310	Roman	$9⅝	9⅝	9⅝	+ ¼
100	Rothman	$41	41	41	
27817	RyTrco A	$14⅝	14	14⅝	+ ¼
134239	Royex	$5⅝	5¼	5½	— ⅛
269900	Sceptre R	340	340	340	+ 10
5900	Scotts f	$9⅝	9½	9½	
11550	Sears Can	$8⅞	8⅝	8½	+ ⅛
2700	SHL Systm	$18⅛	17⅝	18	
100	Selkirk A f	$22	22	22	+ 1
22764	Shell Can	$35¼	34⅝	34⅝	— ⅜
4875	Sherritt	$5½	5⅛	5⅛	
27900	Southam	$17	16⅝	17	+ ¼
6700	Spar Aero f	$14¼	14⅛	14⅛	— ⅜
144336	Stelco A	$19⅝	19	19⅝	— ⅛
1120	Teck Cor A	$31	31	31	— ⅜
28996	Teck B f	$32⅝	32	32⅛	— ⅜
69620	Tex Can	$26	25½	26	+ ¼
30675	Thom N A	$25⅛	24⅝	25	— ½
90782	Tor Dm Bk	$24	22⅝	23⅝	— ⅜
21875	Torstar B f	$24	23	24	— ½
300	Trns Mt	$13	13	13	+ ½
38795	TrnAlta UA	$27⅝	27⅛	27⅜	— ⅛
31183	TrCan PL	$16	15⅝	16	+ ⅛
5106	Trimac	350	325	350	— 20
8374	Trilon A	$15⅝	15⅛	15⅝	+ ⅛
10447	Trizec A f	$22⅞	22⅛	22⅝	— ⅛
44000	Turbo	67	65	67	+ 2
10300	Unicorp A f	$6	5⅞	5⅞	— ⅛
240	Un Carbid	$13⅝	13⅝	13⅝	— ⅛
1615	U Enterise	$8⅝	8⅝	8⅝	
2400	U Keno	$8⅝	8⅛	8⅛	— ⅛
1200	Weldwd	$13⅛	13⅛	13⅛	— ⅛
4400	Westmin	$9½	9⅛	9⅛	
2310	Weston	$31	30⅝	31	+ ½
1722	Woodwd A	$5⅝	5¼	5½	+ ¼

Total sales 23,183,794 shares

	Noon	Prev. Close
TSE 300 Index:	2,944.50	2,968.40

Montreal

Nov. 4

Sales	Stock	High	Low	Close	Chg.
21684	Bank Mont	$26	25⅝	25⅝	— ¼
52700	BmbrdrA	$8½	8½	8½	+ ⅛
78540	BombrdrB	$14⅝	14¼	14½	— ⅛
3500	CB Pak	$13	13	13	
44387	Cascades	$7½	7¼	7¼	— ⅛
500	CIL	$26⅝	26⅝	26⅝	— ¼
153475	ConBath	$15¾	15½	15½	— ⅛
732	DomTxtA	$16⅛	15⅞	15⅞	
5349	MntTrst	$12½	12	12	— ¼
32957	NatBk Cda	$10⅛	10⅛	10⅛	— ⅛
432114	Noverco	$11¼	10⅞	11	+ ¼
129840	Power Corp	$12⅛	11⅞	11¾	— ½
13800	Provigo	$8⅝	8⅝	8⅝	
6060	Repap Entr	$10⅝	9⅞	10¼	+ ⅛
52732	Royal Bank	$27⅝	27¼	27½	— ¼
1900	SteinbrgA	$33	33	33	
6150	Videotron	$10⅝	10¼	10⅝	+ ¼

Total Sales 6,640,801 shares.

	Close	Previous
Industrials Index:	1,223.95	1,238.22

هكذا من الاصل

SPORTS

Muggsy Bogues: A 5-Foot-3 Giant-Killer Takes On the NBA

AP

Tyrone (Muggsy) Bogues, born in a poor section of Baltimore, will become the shortest man in history to play in the NBA when it opens its season Friday night. But one thing he was not shorted on was optimism.

By Jane Leavy
Washington Post Service

WASHINGTON — Tyrone Bogues says things are looking up. He's an optimist. Which is a good thing to be if you are 5 feet, 3 inches (1.6 meters) tall, your mother calls you Muggsy and your dream is to play in the National Basketball Association.

Optimism is one of those intangibles, like heart and determination, that athletes talk about when specifics elude them. It's hard to say whether Bogues is an optimist by nature, experience or default. His is a full-tilt optimism, part defiance, part bravado, all hustle: your basic full-court press on the possible. It's a conviction hard won on a thousand fast breaks. It is simply belief, an absolute refusal to accept the obvious.

First of two parts

"More so," Bogues says.

That is an expression he uses often to indicate that he agrees, only more so. "More so," he says, when yes or maybe or even more or less would do.

But there is no room for more or less in Bogues' world. He says that, as far as he's concerned, 5-3 is the perfect height. He says that if he had three wishes, "taller would not be one of them."

He also says he's not sure he's reached full height.

"If you ask him," said childhood friend and former Georgetown University star Reggie Williams, "he'll tell you he's still growing."

"Reggie said that?" Bogues asks quickly, as if a dark secret has been revealed. "It's true. I told him I grew."

Of course, there's nothing wrong with wanting to be taller, unless of course you've spent your whole life insisting that bigger isn't better.

Bogues is 22, a kid from East Baltimore who grew up to be the first-round draft pick of the Washington Bullets. When the NBA season opens Friday night, with the Bullets playing the Atlanta Hawks, he will become the shortest man in the history of the league. There are those who predict big things for him. *There are those who think the NBA will cut him* down to size. Either way, he is the great small hope.

A funny thing happens when people are asked about *Muggsy Bogues. Their voices get lower and* they start talking earnestly about his speed and quickness, his heart and determination. Then they say something like:

"He's certainly going to give the Bullets a dimension not a whole lot of teams have," said Bob Staak, his coach at Wake Forest.

"He will have to overcome some shortcomings," said Mike Fratello, the Hawks' coach, and the shortest coach in the NBA.

"I call him my biggest mistake," said Georgetown *University's coach, John Thompson, who decided* not to recruit him four years ago.

No matter how you size it up, there's no getting *away from his height. Sometimes when he's drib*bling, protecting the ball, it's no more than a foot off the court — which means that Manute Bol, his 7-6¾ *teammate, would need arms six feet long to reach it.*

Bogues' thighs are twice as thick as Bol's, but he reaches only to Bol's waist. Talk about seeing the forest through the trees. Sometimes, as the Bullets' general manager, Bob Ferry, said, "You just don't know where he is."

So what does it feel like down there, Muggsy, surrounded by all those big galumphs? What do you see? Kneecaps? Thighs?

"Kneecaps, thighs!" he says impatiently. "I see the entire court!"

It isn't hard to put Bogues in perspective. All you have to know is that he is 16½ inches shorter than the average player in the NBA. It doesn't quite suffice to say that there are tall odds against him.

"Improbable? Incalculable," said Jim Valvano, coach *at North Carolina State.* "It's comparable to Lady Di leaving Prince Charles and asking me to come visit her this weekend . . . I don't know what the odds are. I flunked trig."

Bogues' mother is 4-11. His father is 5-5. Bogues has been going one-on-one with the odds ever since he was old enough to understand a tape measure.

'You have so much love for the game, it's totally indescribable. You can say you're in heaven.'

"So you do *things to try to overcome them,*" he says. "Steal the ball, try to distract your opponent, make him upset. You got to do the little things. Little *things are so important. People try to overlook them.* But these little things really turn into big-time plays."

Little things.

The gym was packed *on a Sunday night in Indian* summer. The crowd giggled as Bogues and Bol stood side by side, waiting for their turn on the court. Slapping hands, they gave a new meaning *to a high* five. The people in the stands had come to the Bullets' training camp to see what the Little Guy could do, which is, of course, what the Bullets hoped when they drafted him 12th in the league.

The Bullets, and logic, argue that you don't use a first-round draft pick on a sideshow, but the gate value of having the tallest and shortest men in the NBA isn't lost on them, either. After all, they drew fewer than 12,000 a game last year.

For Bogues, stasis is death. He needs to move to excel; more to the point, he needs to move to survive. So he flourished in flashes, slicing between two *defenders like sun between shutters,* scooting through a thicket of quadriceps, dribbling down the court on the break. A defender reached for the ball. Bogues dribbled it beneath his reach. Lower and lower down the court. It was cruel to behold.

Next time down the court, a teammate grabbed a rebound and heaved the ball at Bogues. It bounced over his head. That, too, was cruel to behold.

Basketball players spend their lives girding for someone bigger and stronger. Then along comes this little guy, 144 pounds (65 kilograms) of resolute muscle, who makes them feel clumsy and slow, who makes them feel like freaks of nature. In those moments, when they're tripping over their feet trying to keep up, he becomes the intimidator. His height is daunting.

"Psychologically, he has a real advantage," said Pete Newell, a scout for the Cleveland Cavaliers who has been involved with basketball for more than 50 years. "He's used to playing against normal-size guys around the NBA. They're not used to playing him."

The list of diminutive athletes who have overcome large odds is admittedly short. When Howard Stevens, a 5-5 running back at the University of Louisville, led the nation's college teams in scoring in 1972, he explained, "I'm not small. I'm short."

When Freddie Patek, a 5-4 shortstop for the *Kansas City Royals* who also was known as "The Flea," was asked how it felt to be the shortest man in major *league baseball, he* replied, "Better than being the shortest man in the minor leagues."

When Ernie Oravetz, a 5-4 outfielder, joined the Washington Senators in 1955, their manager, Charlie Dressen, took one look and said, "We might be able to use him if watch fobs ever come back."

Each was called a little man with a big heart. Each felt the scorn of those who expected little of him.

"At each level, I had *to prove myself,*" Bogues says. "Even though you get the recognition and the glory, you're still 5-3 and playing a big man's game. You have to continue proving yourself. I don't feel it anymore, but it's still there. It's a test: how will he do in the NBA? It's still a proving stage, probably more for them than for me. I know what I'm capable of doing."

Ironically, where his height matters most is where, for him, it matters least: on the court. Once he takes the court no one can tell him, "You can't."

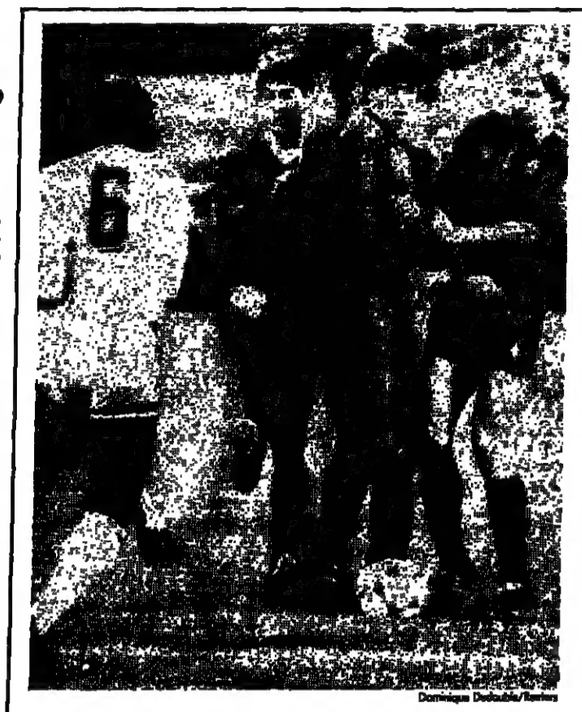
"Once you get to the court, you feel comfortable, you feel safe," said Spud Webb of the Hawks. At 5-7, he was the NBA's shortest player until Bogues came along.

"You feel like you're on top of the world," Bogues says. "You feel like you're on a different planet.

"Once I step on the court, I feel free. You can have so many problems in life, then you're on the basketball court, I feel, it just eliminates everything. It totally blocks the world out of your mind.

"You have so much love for the game, it's totally *indescribable. You can say you're in heaven.* You can put any words that are really farfetched because that's how much it means to a lot of people who play this game. When you're out on the fast break, when there is a three-on-one and the ball is in my hands and I'm in the middle of the court and I have the opportunity to trick my opponent, you get this great feeling, like something spectacular is about to happen."

Of Mice And Men



Dominique Derbaudin/Reuters

S. Lyon/Reuters

After Gary Lineker, far left, and his Barcelona teammates eeked *out a 0-0 draw* against Dynamo in Moscow, they advanced through the second round of the UEFA Cup tournament. In Lisbon, in the Champions Cup tournament, Butragueno went leaping past FC Porto's Geraldao, and Real Madrid took a giant stride toward winning its seventh title when midfielder Michel scored in the 54th and 69th minutes, good for a 2-1 triumph on Wednesday night.

NBA to Open On New Faces, Old Questions

Sam Goldaper
New York Times Service

NEW YORK — Bill Russell is coaching again. So are Del Harris and Gene Shue. John MacLeod is coaching the Dallas Mavericks instead of the Phoenix Suns.

The merry-go-round of changing and recycling coaches continues as the National Basketball Association opens its 42d season Friday night with six new coaches, which makes 12 in two seasons. Four involved the New York Knicks, the Sacramento Kings, the Los Angeles Clippers and the Suns — teams out of the playoffs.

Rick Pitino will try to right the Knicks, who have won only 75 of 246 games the last three seasons. Shue, who last coached the Clippers in 1979-80 when the team was in San Diego, takes over a club whose 12-70 mark was the second-worst in NBA history. Russell is coaching the Kings after a 10-season absence from the league. John Wetzel replaces MacLeod, dismissed by the Suns after 47 games last season. MacLeod succeeds Dick Motta at Dallas. Harris, the Houston Rockets' former coach, has replaced Don Nelson in Milwaukee. After a well-publicized feud with Herb Kohl, the team owner, Nelson traded coaching for *a part-ownership in the Golden* State Warriors.

With all the changes, there are now only three coaches who have been in their present positions more than four seasons. Doug Moe of the Denver Nuggets, a renegade among his peers, is the senior member in terms of continuous service; he is in his eighth season.

In Pat Riley's six seasons as the Los Angeles Lakers' coach, the team has won three championships. Now the question is: can the Lakers, who posted a 65-17 record in the regular season and won 15 of 18 playoff games, repeat? The last team to accomplish the feat was the Boston Celtics in 1969, the year Kareem Abdul-Jabbar was drafted by the Milwaukee Bucks.

A look at the Eastern Conference:

Atlantic Division

The loss of about 1,000 games to injuries, many by key players, not only dropped the level of play in this historically strong division last season but has left many uncertainties for this season. Among the major questions are:

- How will the Celtics do without Kevin McHale for at least the first month?
- With Jeff Ruland forced into *retirement by a knee injury,* can the Philadelphia 76ers win with Tim McCormick and Chris Welp at center? *The Sixers will also be wondering* about Andrew Toney, whose foot problems have limited him to 53 games the last three seasons.
- What does the season hold for the Knicks' Patrick Ewing, Bill Cartwright and Pat Cummings, whose knee and foot problems kept them out of a total of 76 games?
- How many games will Bernard King play after appearing in only six since March 1985?

Until McHale, who averaged 26.1 points and almost 10 rebounds a game last season, recovers from foot surgery, the Celtics will continue to depend on Larry Bird, Robert Parish, Dennis Johnson and Danny Ainge. They figure to have an easy time winning the divi*sion, but for them to reach the final* a fifth straight year, the 34-year-old Parish must stay healthy and Johnson, at 33, must produce another good season. The starters also need relief from the bench.

With Julius Erving gone, the leadership in Philadelphia has shifted to Charles Barkley, the beefy all-star forward, who led the league in rebounding (14.6), finished third in field-goal percentage *(.594) and 15th in scoring (23.0).* Maurice Cheeks, the playmaker, may be the best two-way guard in *the league. The 76ers, seventh in* scoring last year, will need to replace Erving's 16.8 points a game. That could be made up by a healthy Toney or or Roy Hinson, if he can mesh better with Barkley. Cliff Robinson, who played only 55 games last season, now is involved in a contract dispute and likely will miss the start of this season.

The Washington Bullets will be interesting to watch with the 7-foot-6-inch (2.28-meter) Manute Bol, the league's tallest player, and the 5-3 Tyrone Bognes, the smallest. But that won't help win games. The Bullets, who failed to score 100 points in *22 games and were last in field-goal* percentage at .454, need more scoring. Since almost half their points *came from Moses Malone (24.1)* and Jeff Malone (22.0), opponents overplayed their defense to sag on Moses Malone down low and gang up on Jeff Malone near the perimeter. Thus, the Bullets gambled with an offer sheet to King.

The Knicks and the New Jersey Nets are far from set. Sidney *Green, the Knicks' new power for*ward, and Trent Tucker, a late signer, will need time to familiarize *themselves with Pitino's motion*-oriented offense and pressure defense. Mark Jackson, the former St. *John's point guard, needs to develop* more confidence in his shot.

Injuries, which forced Net players to miss 256 games last season, are again hounding their coach, Dave Wohl. Orlando Woolridge, the top scorer, will miss the opening of the season with a cut hand. Keith Lee, obtained from the Cleveland Cavaliers to back up Mike Gminski at center, has what is believed to be a knee ailment and hasn't played since the fourth day of training camp. Ottis Birdsong, who was in seven games last season, is experiencing recurring pain in his right knee.

Central Division

Five years ago, playing a Central Division team other than the Bucks was often a sure victory. *But last* season the Atlanta Hawks and the Detroit Pistons, as well as the Bucks, were among the league's six teams that won 50 or more games. Moreover, Chuck Person, whose Indiana Pacers made the playoffs for the first time in six years, won rookie-of-the-year honors. Ron Harper of the *Cavaliers was the runner-up and* Michael Jordan of the Chicago Bulls led the league in scoring. It would *not be surprising if all six teams in* the division made the playoffs.

The Hawks and the Pistons fig*ure to battle for first place. Atlan*ta's strengths are Dominique Wilkins, one of the league's top scorers, great depth and a sound defense, which held opponents to a league-low 102.8 points a game.

The Pistons have a little bit of everything. Isiah Thomas and Joe Dumars are an outstanding backcourt tandem. The trade for Adrian Dantley last season eliminated the differential between the inside and the outside scoring. Bill Laimbeer is one of the league's best rebounders and Rick Mahorn is an intimidating forward. In reserve, they have Vinnie Johnson, one of the *league's best outside shooters.*

For the first time in eight seasons, the Bucks may have trouble winning 50 games. Training camp was not exactly a new coach's dream. Sidney Moncrief underwent knee surgery, John Lucas and Craig Hodges were holdouts and Ricky Pierce, who averaged 19.5 points and was named the league's best sixth man, wanted his contract renegotiated.

The Pacers went from 26 victories to 41 in Jack Ramsay's first year as coach. Person, who averaged 18.8 points and 8.3 rebounds, played the lead role. Wayman Tisdale, a bust as the highly touted 1986 top draft choice, became a quality sixth man as a backup to Herb Williams. Steve Stipanovich averaged 13.2 points *while improving his defense,* rebounding and shot-blocking. The backcourt, the weak link, was *strengthened with the acquisition of* Scott Skiles, a point guard, from the Bucks and the drafting of Reggie *Miller, a scorer from UCLA.*

The Bulls' 40-42 record was a tribute to Jordan, whose 37.1 points a game was fifth-best in NBA history. The 6-6 guard scored more points than his next three teammates combined, had 236 steals and blocked 125 shots, a total higher than that posted by 13 starting centers. The Bulls have brought back the slimmed-down, but 38-year-old, Artis Gilmore to play center with Dave Corzine. And with two first-round draft choices, Scottie Pippen, a highly touted small forward, and the 6-10 Horace Grant, a power forward who may *some day develop into a center,* the Bulls could be the league's most improved team.

The Cavaliers, the NBA's youngest team, are under construction. The foundation was laid last season with Lenny Wilkens as the new coach and four rookies: Brad Daugherty, John Williams, Harper and Mark Price. They have added Kevin Johnson, a point guard and the top draft choice, and a trade brought Del Curry, a needed outside shooter.

The likely playoff teams: Celtics, Hawks, Pistons, Bucks, 76ers, Pacers and Bulls. The Knicks, Nets, Bullets and Cavaliers will battle for the final berth.

Tomorrow: The Western Conference

Santiago Voted In, Giants Voted Out

By Murray Chass
New York Times Service

NEW YORK — *Jack Morris is* trying again, but Dale Murphy decided not to try at all. Benito Santiago won, as expected, but the San Francisco Giants lost, which was not expected.

And this is supposed to be major league baseball's off season.

Morris, the Detroit Tigers' pitcher who unsuccessfully became a free agent last year, became one again Wednesday. Murphy, the Atlanta Braves' outfielder, was eligible to become a free agent but signed a three-year contract for $2 million in salary each year.

Santiago, the San Diego Padres' catcher, was unanimously voted the National League's rookie of the year, one day after Mark McGwire of the Oakland Athletics got all the first-place votes in the American League from the Baseball Writers Association of America.

In a ballot of a more significant sort, the voters of San Francisco rejected building a downtown stadium that would replace uncomfortable Candlestick Park and keep the Giants in San Francisco.

"We're greatly disappointed and surprised," Bob Lurie, the Giants' owner, said by telephone from his office. "Early in 1988, we'll start talking to other communities, such as San Jose. We have a lease at Candlestick through 1994 and we won't try to break it, but we'll be playing elsewhere in 1995."

There had been some thought *that the Giants, who left New York* City in 1958, might return to the area and play in New Jersey. But *the voters in that state rejected a* stadium referendum in balloting Tuesday. And while cities such as Tampa, Florida, and Denver would love to get the Giants, Lurie made it clear he would try to keep the team in the Bay Area.

Morris wanted to leave Detroit a year ago as a free agent and eventually designated four teams that he wanted to play for, but no team other than the Tigers wanted to sign him. He eventually accepted salary arbitration with them and won a $1.85 million salary.

The Tigers and Morris have had some negotiations this year, and the club's last-known offer was two years for $3.7 million, which would not represent a raise for the pitcher who had an 18-11 record *this* year.

Murphy, who in the past six seasons has averaged 36 home runs and 105 runs batted in, earned $8,325,000 under his recently completed five-year contract. His 1987 baseball income was $1,925,000.

Atlee Hammaker of the Giants, Ruppert Jones of the California Angels and Bob McClure of the Montreal Expos also filed for free agency, raising to 44 the number of players on the list. In addition to Murphy, Harry Spilman of the Giants reached agreement with his *club on a new contract, a one-year* pact for $225,000.

The rookie-of-the-year voting was a foregone conclusion because Santiago was by far the National League's best all season, and got better as the season progressed.

Defensively, he committed 16 errors in his first 77 games, then made only six in his last 69 games. At bat, he had a 34-game hitting streak at the end of the season, setting a record for rookies and becoming the first catcher to have a hitting streak *longer than 30 games.* He finished the season with a .300 average, 18 home runs and 79 runs batted in.

He was named first on the ballots of all 24 writers, two from each league city, and totaled 120 points. Mike Dunne, who had 13-6 record for the Pittsburgh Pirates after being traded from the St. Louis Cardinals, was runner-up with 22 second-place votes and 66 points. Pitcher Joe Magrane of the Cardinals finished third with 10 points.

IN BRIEF

NFL Pays in L.A.

LOS ANGELES (LAT) — The Los Angeles Coliseum Commission received a $19.6 million damage award check Wednesday from the National Football League, and the commission's attorney said the Los Angeles Raiders had told him they were willing to consider new proposals for keeping them in the stadium.

The huge damage payment means that the commission has enough money to fund the kind of Coliseum renovations the Raiders were insisting on last spring.

The commission's nine-year law*suit against the NFL, for its efforts* to block the Raiders from moving to Los Angeles from Oakland, Californ*ia, also will gain the Raiders a* multimillion-dollar award after the amount is decided in federal court.

For the Record

Europe beat the United States, 7-5, while Japan and Australia-New Zealand tied, 6-6, in the opening round of the Kirin Cup round-robin golf tournament in Tokyo. *(AFP)*

Pitcher Osamu Higashio, whose Seibu Lions won the Japan Series championship, was voted *his second Pacific League most valuable* player award. *(AP)*

SCOREBOARD

Transition

BASEBALL
American League
MINNESOTA—Named Larry Corrigan *West Coast scouting supervisor; Jeff Schugel* Florida scouting supervisor, and Mike Radcliff mid-states scouting supervisor.
BASKETBALL
National Basketball Association
LEAGUE—The 1989 all-star game will be played in the Houston Astrodome.
CHICAGO—Waived Doug Altenberger, *guard-forward, and Pete Myers,* guard.
CLEVELAND—Put Kent Benson, center, on injured list.
HOUSTON—Waived Michael Kennedy, forward. *Put Robert Reid, forward, on injured* list. Agreed to six-year contract with Rodney McCray, forward.
L.A. CLIPPERS—Waived Tim McCalister, *guard, and Chad Kessler, forward.*
MILWAUKEE—Waived Bob McCann, forward, and Keith Smith, guard.
NEW JERSEY—Acquired Dallas Comegys, *forward, from Atlanta for a 1989 or 1990 second*-round draft pick. Purchased Adrian Branch, guard-forward, from L.A. Lakers. Put Mike O'Koren, guard, on suspended list for failing to *report. Waived James Blackmon, guard, and* Leroy Combs, forward.
PORTLAND—Waived Ron Rowan, guard. Lester Fonville, center, left team to play in *Europe.*
UTAH—Waived Billy Donovan and Eddie Hughes, guards.
FOOTBALL
National Football League
ATLANTA—Signed Aaron Brown, linebacker.
BUFFALO—Waived Durwood Requemore, *safety; Don Sommer, guard; Gary Wilkins,* tight end, and John Dietrich, kicker.
CHICAGO—Waived Mike Hohensee, quarterback; Garland Rivers, defensive back, and *Sean McInerney, defensive end.*
DALLAS—Waived Chris Dullban, linebacker, and Sebron Spivey, wide receiver. Waived Robert Lavette, running back.
DETROIT—Traded Jimmie Giles, tight end, to Philadelphia for an undisclosed 1988 draft pick. Waived Eric Truvillion, wide receiver, and John Beotic and Kevin Grom, defensive backs. *Put Rich Strenger,* offensive tackle, on injured reserve.
GREEN BAY—Waived Lorenzo Freeman, defensive tackle; Alan Risher, quarterback; *Scott Fulhage,* punter; Vince Rafferty, center, and Don Knight, offensive tackle. Put Lee Morris, wide receiver, on injured reserve.
HOUSTON—Signed Bruce Matthews, offensive tackle, to four-year contract.
INDIANAPOLIS—Signed Tim Crowford, defensive end.
L.A. RAIDERS—Cut Henry Lawrence, offensive tackle.
L.A. RAMS—Suspended LeRoy Irvin, cornerback, indefinitely for conduct detrimental to the team.
MINNESOTA—Signed Bucky Scribner, punter. Waived Buster Rhymes, wide receiver.
N.Y. JETS—Signed Glenn Dennison, tight *end. Waived George Radochowsky, safety;* Bill Ransdell, quarterback; Bill Sanders, tight end; Vince Amale, running back, and Skip Peete, wide receiver.
ST. LOUIS—Signed Gregory Johnson, safety.
HOCKEY
National Hockey League
DETROIT—Recalled Steve Martinson, left wing, from Adirondack, American Hockey League.
N.Y. RANGERS—Recalled Jeff Brubaker, left wing; Ron Talotsuki, right wing, and Mark Tinordi, defenseman, from Colorado, International Hockey League. Sent Bruce Bell, defenseman, to Colorado.
VANCOUVER—Traded Michel Petit, defenseman, to N.Y. Rangers for Willie Huber and Larry Melnyk, defenseman.

European Soccer

CHAMPIONS CUP
(Second Round, Second Leg)
Anderlecht, Belgium, 1, Sparta Prague 0 *(Anderlecht advances on 3-1 aggregate).*
Bayern Munich 2, Neuchatel Xamax, Switzerland, 0 (Bayern advances on 3-2 aggregate).
Benfica, Portugal, 1, Aarhus, Denmark, 0 *(Benfica advances on 1-0 aggregate).*
FC Porto, Portugal, 1, Real Madrid 2 (Real advances on 4-2 aggregate).
PSV Eindhoven, Netherlands, 2, Rapid Vienna 0 *(Eindhoven advances on 4-1 aggregate).*

CUP WINNERS' CUP
(Second Round, Second Leg)
Ajax Amsterdam 2, Hamburg 0 (Ajax advances on 3-0 aggregate).
St. Mirren, Scotland, 0, Mechelin, Belgium, 2 *(Mechelin advances on 2-0 aggregate).*
Young Boys Bern 1, FC Den Haag 0 (3-2 aggregate; Young Boys advances 1-0 on away goals).

UEFA CUP
(Second Round, Second Leg)
Beveren, Belgium, 1, Vitoria Guimaraes, Portugal, 0 (1-1 aggregate; Beveren advances 5-4 on penalty kicks).
FC Brugge, Belgium, 4, Red Star Belgrade 0 (Brugge advances on 5-3 aggregate).
Espanol Barcelona 0, AC Milan 0 (Espanol advances on 2-0 aggregate).
Feyenoord, Netherlands, 1, Aberdeen, Scotland, 0 (2-2 aggregate; Feyenoord advances 1-0 on away goals).
Honved Budapest, 3, Chaves, Portugal, 1 (Honved advances on 5-2 aggregate).
Juventus, Italy, 2, Panathinaikos, Greece, 2 (3-3 aggregate, Panathinaikos advances 2-1 on away goals).
Verona, Italy, 2, Utrecht, Netherlands, 1 (Verona advances on 3-2 aggregate).

ENGLISH FIRST DIVISION
Portsmouth 0, Tottenham Hotspur 0
Wimbledon 1, Liverpool 1
Points: Liverpool, Arsenal 22; Queens Park *Rangers 29; Nottingham Forest 27; Manches*ter United, Chelsea 25; Everton 22; Tottenham Hotspur 21; Southampton, Oxford United 17; Wimbledon, Derby County, Coventry City *14; West Ham United 13; Portsmouth 14;* Newcastle United 13; Luton Town, Sheffield Wednesday 12; Norwich City 11; Watford 8; Charlton Athletic 6.

Hockey

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
NY Islanders	8	3	1	17	56	35
Washington	7	4	1	15	45	35
New Jersey	7	4	0	14	42	36
Pittsburgh	4	6	3	11	50	51
NY Rangers	4	6	3	11	59	66
Philadelphia	4	7	2	10	32	50
Adams Division						
Montreal	8	4	3	19	61	48
Buffalo	6	4	3	15	50	49
Quebec	6	5	1	13	47	43
Boston	5	5	2	12	43	45
Hartford	5	5	2	12	38	43

CAMPBELL CONFERENCE

Norris Division						
Toronto	7	4	0	14	53	45
Minnesota	5	5	3	13	46	46
Chicago	5	6	2	12	55	57
Detroit	5	5	2	12	39	42
St. Louis	3	7	1	7	35	42
Smythe Division						
Edmonton	8	5	0	16	63	49
Calgary	6	5	1	13	49	47
Winnipeg	6	5	0	12	38	39
Los Angeles	3	9	1	7	32	54
Vancouver	2	8	1	5	38	49

WEDNESDAY'S RESULTS

Boston	1	0	1 — 2
Hartford	0	1	1 — 2

Burridge (8), Sweeney (5); Murzyn (1), Peterson (1). Shots on goal: Boston (on Weeks) 13-9-8-1—31; Hartford (on Lamelin) 6-10-8-0—24.

Winnipeg	3	1	0 — 4
Toronto	2	2	1 — 7

Daoust (3), Clark 2 (3), Olczyk (4), Deveney (1), Courtnall 2 (8); MacLean 2 (7), Elynuik (1). Shots on goal: Winnipeg (on Beaher) 17-13-15—45; Toronto (on Reddick) 8-13-5—26.

Detroit	2	1	1 — 4
Minnesota	2	0	5 — 7

Hartsburg 2 (3), Bellows (9), Graham (2), Lawton (3), Gosner (1), Ciccarelli (5); Kilrea 2 (9), Burr (4), Yzerman (9). Shots on goal: Detroit (on Beaupre) 11-9-9—29; Minnesota (on Hanlon) 16-5-14—35.

Montreal	2	1	1 — 4
Chicago	3	0	1 — 4

Ludwig (2), Naslund (6), Smith 2 (10); Larmer (8), Presley (4), Volve (9), D. Wilson (4). Shots on goal: Montreal (on Mason) 13-14-14—43; Chicago (on Hayward) 11-8-4—23.

New York	0	0	2 — 2
Edmonton	4	2	1 — 7

Kurri (7), Gretzky 3 (10), Lacombe (4), McMurchy (4), Tikkanen (3); Osradnik 2 (3). Shots on goal: New York (on Fuhr) 10-7-16—33; Edmonton (on Vanbiesbrouck) 14-8-3—25.

Buffalo	1	2	3 — 6
Los Angeles	2	1	1 — 4

Turgeon 2 (5), Tucker (4), Creighton (2), Andreychuk (4); Taylor (4), Robitaille (4), Carpenter (3), Nichols (1). Shots on goal: Buffalo (on Healy) 8-12-13—33; Los Angeles (on Puppa) 10-10-7—27.

هكذا من الأصل

POSTCARD

Bronx 'Pandamonium'

By Douglas Martin
New York Times Service

NEW YORK — It's been quite a season at the Bronx Zoo. New York City's two most distinguished visitors downed 6,800 pounds of bamboo, 736 eggs and 2,208 apples and carrots.

Ling Ling, the male panda, celebrated his second birthday with a dash of whipped cream on his panda bread, which is a soggy soybean and cornmeal mixture. More important, the youngster learned to eat bamboo.

Yong Yong, the female, tore down a mulberry tree or two, fought off an illness last summer and ended up gaining 20 pounds (9 kilos) — bringing her weight to 207.

Along the way, the two pandas watched more than 1 million visitors file past, exhibiting themselves in the sort of funny hats, Bermuda shorts and skimpy halter tops you don't get to see a lot of in the mist-*shrouded mountains of southwest* China.

But Sunday was the last day of the pandas' six-month visit and the "pandamonium" was supposed to be over. Over the weekend, people crowded in for one last look. Newspapers printed farewell photos. Television announcers said goodbye.

The last $83.95 stuffed panda had days earlier been grabbed up. So had the hats with the panda faces, the panda salt and pepper shakers and the $5.95 (but not the $9) panda earrings.

ALL that remained was for Busch Gardens in Tampa, Florida, the next stop for the pandas, to pick up the animals. But for reasons unknown to Bronx Zoo officials, that was delayed. But the delightful upshot of the confusion has been to give this week's zoo-goers a nice surprise — pandas without crowding or consternation.

"We're so, so lucky," said Lisa Dautrich, who Monday journeyed from Oneonta in upstate New York on the off chance she might have one last chance to pursue her passion for pandas.

A typical day, she happily confided, might find her clad in panda sweater, panda slippers and a panda hat. Her house is crammed with stuffed pandas, panda cookie jars and panda pictures.

But not everything about the pandas is warm and cozy. For one thing, they don't like each other, and the zoo has chosen to display them in shifts.

Another characteristic of pandas was abundantly clear Tuesday morning: They sleep almost incessantly. Yong Yong — the only one on display — was cuddled in a ball on top of a pile of branches.

"They remind me of me," Ray Mejias, a ticket taker, said. "All they do is sleep and eat."

GIANT pandas have fascinated Americans at least since Theodore Jr. and Kermit, sons of Teddy Roosevelt, became the first Westerners to shoot and kill one in 1929.

Less than a decade later, live pandas had become a national fascination, as Chicago's Brookfield Zoo and then the Bronx Zoo acquired specimens. Panda bathing suits, panda nursery furniture and even a panda cocktail (equal parts plum brandy, apple brandy, gin and orange juice) swept the United States.

But China turned Communist in 1949, and imperialist running dogs saw their panda supply halted. Pan-dah, the Bronx Zoo's last panda, died in 1951.

Then, in the early 1970s, China began giving pairs of pandas to such foreign capitals as Washington and London — but still none to New York. In recent years, an alarmingly shrinking panda population has spurred the Chinese government to limit panda exports to visits of just a few months.

But even a few months seemed worth the effort to Mayor Edward Koch who so bedeviled authorities in Beijing, a sister city of New York, that he has said he became known as "the guy who wants the pandas."

The pandas arrived in April. "The night they arrived was like all Christmases, birthdays and holidays rolled into one," James G. Doherty, the zoo's curator, said.

Now, they are leaving what Doherty calls a void — the same feeling zoo officials in Los Angeles, San Francisco and Toronto had after their panda visits ended.

"It's the kind of feeling you get when a good friend comes to visit and then leaves," said an official of the San Francisco Zoo.

The Search for the Real Count Dracula

International Herald Tribune

MARY BLUME

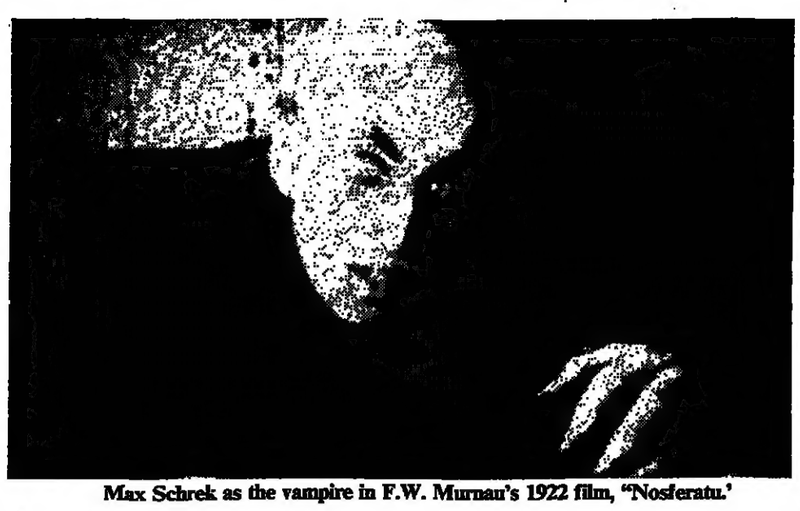
EVERYONE loves a good centenary, so Peter Haining can hardly be blamed for jumping the gun with "The Dracula Centenary Book," just published in London by Souvenir Press. Bram Stoker's "Dracula" did not of course appear in print until 1897, ninety years ago: The centenary *Haining celebrates is the day* when Stoker's eponymous vampire began his adventures on a Piccadilly stroll.

That day, Haining says, was in the autumn of 1887. Using the zeal, if not the gray matter, that made classics of such works of literary detection as "The Road to Xanadu" and "The Quest for Corvo" Haining further pinpoints the vampire's actual address, given in the book as 347 Piccadilly (a street number as fictitious and immortal as 221B Baker Street). The building that inspired Stoker, Haining maintains, still stands and is adjacent to the Hard Rock Café.

Other experts have put Dracula's London prowls in 1893 but Haining supports his own diggings with the evidence from the editor of "The Annotated Dracula," one Professor Leonard Wolf, who was born in Vulcan, Romania, and who concludes that Dracula hit Piccadilly in a year when Sept. 22 fell on a Thursday. It had to be 1887.

In addition to Professor Wolf, Haining has found some wonderfully named authorities. There is the critic Donald Glut and a biochemist named Dr. David Dolphin who in an appendix explains that vampires suffered from a blood deficiency that resulted in porphyria, a disfiguring disease that caused its victims to hide by day and to go out at night and, possibly, to make up for their blood deficiency by taking a bite from the occasional passerby's neck.

For good measure Haining throws in another appendix, "A Checklist of Vampirism from the Thirteenth Century to the Present Day," which summarizes unattractive goings-on in such places as Moldavia and Upper Styria, where they might rightly be thought to belong, and also in Norwich, Connecticut, Highgate Cemetery in London, and Hamburg where in 1973 a man known only as "Mr. Lorca" was confined to an institution for the criminally insane following a series of vampire attacks on sleeping victims.



Max Schrek as the vampire in F.W. Murnau's 1922 film, "Nosferatu."

There have been attempts to argue that the real Dracula country is in Scotland, particularly the rocky headland on the north of Cruden Bay, and that Dracula himself was Irish, but it is more reasonable to suppose, with Stoker's grandnephew, Daniel Farson, that Stoker's inition in vampirism came from a professor of Oriental languages at the University of Budapest named Arminius Vambery.

Vambery undoubtedly told Stoker about two historical characters: the Transylvanian prince known as Vlad Dracula who impaled between 23,000 and 100,000 of his enemies in the 15th century, and in the 16th century, Countess Elizabeth Bathory, who killed 600 maidens in the belief that their blood was good for her complexion.

The countess has in our times won the attention of such intellectual heavyweights as Marguerite Yourcenar and Delphine Seyrig, but it is Dracula who proves that you cannot stake a good vampire down. Even now, Haining says, the Romanian government, which used to rely on rejuvenation tours to bring in hard currency, sponsors package tours to Dracula's castle.

This doesn't please all Romanians. The author of an article that appeared in a Romanian magazine in 1966 described Dracula as "political pornography directed against us by our neighbors." He saw the vampire's popularity as part of a concerted campaign "by reactionaries of every color to slander the very idea of being a Romanian as well as the eternal idea of Romania."

Dracula has survived to appear in over 200 films including "Abbott and Costello Meet Frankenstein" and Werner Herzog's remake of "Nosferatu" (1979) with Klaus Kinski as a broody bloodsucker and as his victim Isabelle Adjani, an actress with the apparently contradictory but entirely suitable qualities of appearing to be at the same time shrilly hysterical and sound asleep. Andy Warhol produced "Blood for Dracula" and Alain Robbe-Grillet wrote the script for "Tendre Dracula," a 1977 film.

Bram Stoker's novel has never been out of print and has been translated into 22 languages selling in 91 separate editions in 47 countries. Variations on the theme, Haining reckons, have appeared in more than 30 novels, 120 short stories and five television series with 430 million viewers in 17 countries. Says the author of an article in the British magazine New Society, "The audience and resonance this myth has achieved in the 20th century is quite unparalleled."

Abraham ("Bram") Stoker was born in Dublin in 1847 and worked in the civil service and as a drama critic before becoming the manager and private secretary of the actor Sir Henry Irving.

Irving, of course, read "Dracula" when it came out in 1897. "Dreadful!" he exclaimed, throwing the book down. Although Stoker's mother thought her son more gifted than Poe, few agreed and it was not until the 20th century that Dracula really got the public by the jugular, so to speak.

Film helped make Dracula an international name: the first major vampire motion picture was the German director F.W. Murnau's "Nosferatu" (1922) starring the appositely named Max Schrek. Many of Stoker's Dracula characteristics were forever dropped for the cinema — among them, understandably, his ability to crawl head-first down sheer walls — but "Nosferatu" was sufficiently memorable to inspire not only Herzog's remake, but also a 1981 ballet by the English Stage Company and a record co-written by the vocalist of The Stranglers.

The actor most associated with the Dracula role was the Hungarian-born Bela Lugosi who took to giving interviews while lying in a coffin and instructed that he be buried in his Dracula cape. In modern times the leading Dracula has been Christopher Lee, the Hammer Films star who contributed to the Dracula iconography red eyes and long canine teeth. Lee gave up the role after appearing with reluctance in a 1973 spoof called "Dracula is Dead and Well and Living in London."

When Hollywood was into black exploitation films, William Marshall starred in "Blacula" (1972), playing Prince Mamuwalde, an African nobleman who is turned into a vampire after visiting Count Dracula in Transylvania.

"Perhaps the most interesting thing I discovered," Marshall said, "was that an effective vampire movie must be flooded with urgent emotions of anguish, yearning, terror and, ultimately, relief."

No one who plays Dracula talks about him lightly. Frank Langella, who played the role in a 1979 film, spoke of him as vulnerable and sensitive, "aloof, dignified and austere, exploding into tigerish activity when necessary." When it did become necessary Langella refused to wear fangs. "When I was offered the part, the first thing I said to the production was 'No fangs,'" he explained.

Christopher Lee who, it will be remembered, did wear fangs (they did not impede his speech, he told Haining, but made chewing impossible), had a particulary rich view of Dracula, whom he described as a creature "of tremendous brain and strength, with a strange dark heroism. . . . In may ways he is everything people would like to be — the anti-hero or heroic villain — and, like the much maligned Rasputin, he is part saint, part sinner."

The one actor who kept his feet on the ground about horror films was Boris Karloff who called them "bogey stories" and "so much hokum." But then Karloff was immune to the vampire's bite: Although he was the greatest horror actor of all time, Dracula was one role he never played.

PEOPLE

Mastroianni Returning To Stage in Chekhov Play

Marcello Mastroianni, 64, who recently won critical acclaim for his role in the film "Oci Ciornie" ("Dark Eyes"), is returning to the stage in a play based on a work by **Anton Chekhov**. The actor, who has been absent from the theater for a decade, is rehearsing "Unfinished Score for a Mechanical Piano." The play, a loose adaptation of an early Chekhov work, is being directed by **Nikita Mikhalkov**, 42, who also directed "Oci Ciornie." In the play, Mastroianni portrays Mikhail Platonov, a wealthy, aging man whose sharp wit masks the banality of his life. The play opens in Rome Nov. 15.

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Prime Minister Yitzhak Shamir, who said recently he hoped to be a Yemenite Jew in his second life, glimpsed his wish on his 72d birthday. Aides lured him to an artist's home in Jaffa, near Tel Aviv, for what they said was a meeting with the Society for Oriental Artists but he was greeted instead by exotic Yemenite music, dancing and food. A sculpture at the surprise party depicted Shamir, who left Poland at the age of 20, in the twirled forelocks and beard of traditional Yemenite Jews. Although Shamir was born Yitzhak Yezernitsky on Oct. 15, 1915, he said his 72d birthday fell on Wednesday according to the Jewish lunar calendar.

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Paul R. Ehrlich, 55, a social scientist at California's Stanford University, received the World Wildlife Fund's annual gold medal Thursday for his studies on ecology, the population explosion and conservation. **Prince Philip**, president of WWF International, cited Ehrlich "as a global spokesman on population, extinction and other environmental issues" in the award ceremony at Lausanne, Switzerland.

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Prince Edward, the youngest son of **Queen Elizabeth** and an enthusiastic amateur actor, has been named president of the National Youth Music Theater, whose plays are performed by 11- to 18-year-olds. Edward dropped in at Sadler's Wells Theater to watch a young cast perform **Benjamin Britten**'s "The Ragged Child," a musical about destitute 19th-century children.

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

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